

U.S.-Cuba Trade and Economic Council, Inc.

New York, New York

Telephone (917) 453-6726 • E-mail: council@cubatrade.org

Internet: <http://www.cubatrade.org> • Twitter: @CubaCouncil

Facebook: www.facebook.com/uscubatradeandeconomiccouncil

LinkedIn: www.linkedin.com/company/u-s--cuba-trade-and-economic-council-inc-

From The Office Of Foreign Assets Control (OFAC) Of The United States Department Of The Treasury

732. What types of remittances are allowed to be made by persons subject to U.S. jurisdiction to persons in Cuba? What are the applicable conditions and requirements?

OFAC currently authorizes a number of categories of remittances from persons subject to U.S. jurisdiction to persons in Cuba pursuant to [31 CFR § 515.570](#). [Section 515.570](#) excludes from the scope of the authorization any transaction relating to the collection, forwarding, or receipt of remittances involving any entity or subentity identified on the [State Department's Cuba Restricted List](#). Authorized remittance categories include:

Family remittances: Persons subject to the jurisdiction of the United States who are 18 years of age or older are authorized to make remittances to nationals of Cuba who are close relatives, as defined in [§ 515.339](#), of the remitter, provided that the recipient is not a prohibited official of the Government of Cuba, a prohibited member of the Cuban Communist Party, or a close relative of a prohibited official of the Government of Cuba or prohibited member of the Cuban Communist Party, and provided that the remittances are not made for emigration purposes. See [§§ 515.337, 515.338](#), and [515.339](#) for relevant definitions.

Donative remittances: Effective June 9, 2022, OFAC amended [§ 515.570\(b\)](#) to authorize donative remittances to Cuban nationals who are not prohibited officials of the Government of Cuba, prohibited members of the Cuban Communist Party, or close relatives of a prohibited official of the Government of Cuba or prohibited member of the Cuban Communist Party.

Remittances to certain individuals and independent non-governmental organizations in Cuba: Persons subject to the jurisdiction of the United States are authorized to make remittances to certain individuals and independent non-governmental organizations in Cuba, including remittances that encourage the development of private businesses and operation of economic activity in the non-state sector by self-employed individuals. [Section 515.340](#) defines the term "self-employed individual" to mean a Cuban national who satisfies one or more of the following conditions: (a) is an owner or employee of a small private business or a sole proprietorship, including restaurants (paladares), taxis, and bed-and-breakfasts (casas particulares); (b) is an independent contractor or consultant; (c) is a small farmer who owns his or her own land; or (d) is a small usufruct farmer who cultivates state-owned land to sell products on the open market. This general license also authorizes persons subject to U.S. jurisdiction to make remittances to pro-democracy groups and civil society groups in Cuba, and to members of such groups or organizations, to support: humanitarian projects in or related to Cuba that are designed to directly benefit the Cuban people and to support the Cuban people through activities of recognized human rights organizations, independent organizations designed to promote a rapid, peaceful transition to democracy, and activities of individuals and non-governmental organizations that promote independent activity intended to strengthen civil society. See [§ 515.570\(g\)](#) for additional applicable conditions.

U.S.-Cuba Trade and Economic Council, Inc.

736. May the U.S. dollar be used to conduct transactions in Cuba or with Cuban nationals?

In certain circumstances, yes. Persons subject to U.S. jurisdiction may engage in transactions in U.S. dollars in Cuba or with Cuban nationals with respect to activity that is authorized pursuant to the CACR. For example, payments for telecommunications services in Cuba provided pursuant to [31 CFR § 515.542](#) may be made in U.S. dollars. Further, the use of U.S. dollars for transactions that are exempt from the prohibitions of or not otherwise prohibited by the CACR is also authorized. For example, payments related to the importation or exportation of informational materials as defined in [31 CFR § 515.332](#), such as books or musical recordings, may be made in U.S. dollars.

The September 9, 2019 amendment to the CACR eliminates the authorization for banking institutions subject to U.S. jurisdiction to process “U-turn” transactions in [31 CFR § 515.584\(d\)](#). In addition, the amendment replaces the “U-turn” authorization with an authorization to reject such transactions. For more on changes to the “U-turn” general license, [please see FAQ 757](#).

Released on September 23, 2020

742. Are financial institutions other than banks permitted to open correspondent accounts in Cuba?

Depository institutions, as defined in [31 CFR § 515.333](#), which include certain financial institutions other than banks, are permitted to open correspondent accounts at banks in Cuba. See [31 CFR § 515.584\(a\)](#).

Released on September 23, 2020

743. Are Cuban banks permitted to open correspondent accounts at U.S. banks?

No. U.S. depository institutions are permitted to open correspondent accounts at Cuban banks located in Cuba and in third countries, and at foreign banks located in Cuba, but Cuban banks are not generally licensed to open such accounts at U.S. banks. See note to [31 CFR § 515.584\(a\)](#).

Released on November 8, 2017

744. May correspondent accounts authorized pursuant to 31 CFR § 515.584(a) or used for transactions authorized by 31 CFR § 515.584(g) be established and maintained in U.S. dollars?

Yes. Correspondent accounts of depository institutions (as defined in [31 CFR § 515.333](#)) at a financial institution that is a national of Cuba authorized pursuant to § [515.584\(a\)](#) may be established and maintained in U.S. dollars. Such accounts may be used only for transactions that are authorized by or exempt from the CACR. Transactions necessary to establish and maintain such correspondent accounts — such as originating, processing, and terminating authorized funds transfers in U.S. dollars — are authorized.

Additionally, correspondent accounts used for transactions authorized by [31 CFR § 515.584\(g\)](#), which permits banking institutions as defined in [31 CFR § 515.314\(g\)](#) that are persons subject to U.S. jurisdiction to accept, process, and give credit to U.S. dollar monetary instruments

U.S.-Cuba Trade and Economic Council, Inc.

presented indirectly by a financial institution that is a national of Cuba, may be denominated in U.S. dollars.

However, financial institutions that are nationals of Cuba remain prohibited from opening correspondent accounts at a U.S. financial institution. For a complete description of what these general licenses authorize and the restrictions that apply, see [31 CFR § 515.584\(a\)](#) and [\(g\)](#).

Released on September 23, 2020

745. May U.S. banks open and operate accounts for Cuban nationals lawfully present in the United States?

Banking institutions are permitted to maintain accounts for certain Cuban nationals present in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization. Although the account may remain open while the Cuban national is not in the United States, access to such accounts must be limited to while the Cuban national is lawfully present in the United States. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see [31 CFR § 515.571\(a\)\(5\)](#). A Cuban national in Cuba would not be able to access such an account to make and receive certain payments pursuant to the authorization in [31 CFR § 515.584\(h\)](#); separate accounts would be required to utilize each of these authorizations.

Released on September 6, 2019

747. May U.S. banks, their foreign branches, and foreign subsidiaries open and operate accounts for Cuban nationals in third countries?

[Section 515.585 of the CACR](#) contains a general license that authorizes all persons subject to U.S. jurisdiction to provide goods and services to Cuban national individuals located in a third country, provided that the transaction does not involve commercial exportation to or from Cuba. Additionally, the general license authorizes banking institutions to open, maintain, and close bank accounts for such Cuban nationals, provided that such accounts are used only while the Cuban national is located outside of Cuba and may not be used for transactions that involve a commercial exportation of goods or services to or from Cuba. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see [31 CFR § 515.585](#).

Released on September 6, 2019

748. May U.S. banks open and operate accounts for Cuban nationals present in Cuba?

[Section 515.584\(h\) of the CACR](#) contains a general license that allows banking institutions to open and maintain bank accounts in the United States for Cuban nationals in Cuba to receive payments in the United States for transactions authorized pursuant to, or exempt from the prohibitions of, the CACR and to remit such payments back to Cuba. For example, an author who is a Cuban national located in Cuba may open an account with a bank or online payment platform in the United States to receive payments for sales of her book. For a complete description of what this general license authorizes and the restrictions that apply, see [31 CFR § 515.584\(h\)](#).

U.S.-Cuba Trade and Economic Council, Inc.

Released on September 6, 2019

749. In what ways can Cuban nationals lawfully present in the United States participate in the U.S. financial system?

Certain Cuban nationals who have taken up residence in the United States on a permanent basis and who meet the requirements set forth in [31 CFR § 515.505\(a\)](#) are licensed as unblocked nationals, and may participate fully in the U.S. financial system. See [31 CFR §§ 515.505\(a\)\(1\) and \(d\)](#).

Pursuant to [31 CFR § 515.571](#), Cuban nationals who are present in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization issued by the U.S. government, such as a non-immigrant visa, may open and maintain bank accounts in the United States, provided that the Cuban-national account holder may only access the account while lawfully present in the United States. Section [515.571](#) also authorizes such Cuban nationals to engage in normal banking transactions involving foreign currency drafts, travelers' checks, or other instruments negotiated incident to travel in the United States.

Released on November 8, 2017

750. If a Cuban national resident in the United States has applied to become a lawful permanent resident alien of the United States, does that individual have to apply to OFAC to be treated as an unblocked national?

No. If a Cuban national has taken up residence in the United States and has applied to become a lawful permanent resident alien of the United States and has an adjustment of status application pending, then the Cuban national is considered unblocked and does not need to apply to OFAC to be treated as an unblocked national, provided that he or she is not a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist party. See [31 CFR § 515.505\(a\)\(1\)](#).

Released on November 8, 2017

753. Is a financial institution required to independently verify that an individual's travel is authorized when processing Cuba travel-related transactions?

No. A financial institution may rely on U.S. travelers to provide their certifications of authorized travel directly to the person providing travel or carrier services when processing Cuba travel-related transactions, unless the financial institution knows or has reason to know that the travel is not authorized by a general or specific license.

The CACR requires persons subject to U.S. jurisdiction providing travel or carrier services to retain for at least five years from the date of the transaction a certification from each customer indicating the section of the CACR that authorizes the person to travel to Cuba. See [31 CFR §515.572\(b\)](#). U.S. travelers utilizing a general or specific license are also required to retain for five years records associated with their travel to Cuba.

Released on October 8, 2017

U.S.-Cuba Trade and Economic Council, Inc.

754. Is the U.S. originating bank or U.S. beneficiary bank required to independently verify that a person subject to U.S. jurisdiction is not engaging in a direct financial transaction as defined in § 515.209 when processing Cuba-related transactions?

No. To the extent the transaction involves an entity or subentity on the [Cuba Restricted List](#), a financial institution can rely on the statements of its customer that the transaction is authorized unless it knows or has reason to know the transaction is not authorized. A financial institution is expected to do its normal due diligence with respect to a transaction involving Cuba or a Cuban national.

Released on November 8, 2017

755. Is a U.S. or third-country financial institution required to independently verify that the underlying transactions giving rise to U.S. dollar monetary instruments presented for processing and payment pursuant to § 515.584(g) are authorized?

No. A financial institution receiving U.S. dollar monetary instruments for processing and payment directly or indirectly (in the case of a U.S. banking institution) may rely on the institution having presented such monetary instruments as confirmation that the underlying transactions are authorized, exempt, or otherwise not prohibited, unless the financial institution knows or has reason to know that the transaction is not authorized, exempt, or otherwise not prohibited. For a complete description of what this general license authorizes and the restrictions that apply, see [31 CFR § 515.584\(g\)](#).

Released on November 8, 2017

756. May a person subject to U.S. jurisdiction utilize online payment platforms to facilitate or process authorized transactions involving Cuba or a Cuban entity?

Yes. Subject to certain exceptions, transactions that are ordinarily incident to an authorized transaction are permitted. See the examples in [31 CFR § 515.421](#). Such transactions may include use of online payment platforms to facilitate authorized transactions. Authorized transactions ordinarily incident to licensed transactions exclude direct financial transactions with Cuba Restricted List entities, as well as, effective September 24, 2020, lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property in Cuba on the Cuba Prohibited Accommodations List to the extent prohibited by [§ 515.210](#), if the terms of the applicable general or specific license expressly exclude such transactions. See 31 CFR § 515.421(5)-(6). Also, effective November 26, 2020, OFAC amended 31 CFR § 515.421 to make clear that a transaction relating to the collection, forwarding, or receipt of remittances involving any entity or subentity identified on the Cuba Restricted List is not authorized as an ordinarily incident transaction where the terms of the general or specific license expressly exclude any such transactions. For a complete description of the scope of transactions ordinarily incident to a licensed transaction and the restrictions and exceptions that apply, see 31 CFR § 515.421.

Released on October 26, 2020

U.S.-Cuba Trade and Economic Council, Inc.

757. Are U.S. banking institutions authorized to process “U-turn” transactions in which Cuba or a Cuban national has an interest?

No. Effective October 9, 2019, banking institutions subject to U.S. jurisdiction are not permitted to process “U-turn” transactions, i.e., funds transfers originating and terminating outside the United States, where neither the originator nor the beneficiary is a person subject to U.S. jurisdiction. While banking institutions subject to U.S. jurisdiction are no longer authorized to process “U-turn” transactions, they are authorized to reject such transactions, subject to certain conditions (see [31 CFR § 515.584\(d\)](#)).

Released on September 6, 2019

758. Is Cuba open for U.S. business and investment?

Persons subject to U.S. jurisdiction are prohibited from doing business or investing in Cuba unless authorized by OFAC. An OFAC general license authorizes, subject to certain conditions and limitations, the exportation from the United States, and the reexportation from third countries, of items to Cuba where the exportation or reexportation is licensed or otherwise authorized by BIS. See [31 CFR § 515.533\(a\)](#). BIS currently authorizes certain categories of items to be exported or reexported to Cuba. In addition, OFAC currently generally licenses the establishment of a business presence or physical presence in Cuba for certain types of entities or persons. See [31 CFR § 515.573](#). In accordance with NSPM-5, OFAC amended the general licenses for the establishment of a business presence or physical presence in Cuba to exclude from the authorizations certain direct financial transactions with entities and subentities identified on the State Department’s [Cuba Restricted List](#). For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see [31 CFR § 515.209](#).

Released on September 6, 2019

766. What types of payment or financing terms may be utilized for authorized exports and reexports of items other than agricultural commodities to Cuba?

[Section 515.533\(a\) of the CACR](#) does not restrict payment and financing terms for exports of items from the United States or reexports of 100 percent U.S.-origin items from a third country, other than agricultural commodities. Examples of permissible payment and financing terms for authorized exports and reexports that are not agricultural commodities include: payment of cash in advance; sales on an open account; and financing by U.S. or third-country financial institutions.

OFAC has issued a general license authorizing banking institutions to provide financing for such authorized exports or reexports of items other than agricultural commodities, 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. For a complete description of what this general license authorizes and the restrictions that apply, see [31 CFR § 515.584\(f\)](#). In accordance with NSPM-5, OFAC amended this general license to exclude from the authorization certain direct financial transactions with entities and subentities identified on the State Department’s [Cuba Restricted List](#). For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see [31 CFR § 515.209](#).

U.S.-Cuba Trade and Economic Council, Inc.

Released on September 6, 2019

767. What types of payment or financing terms may be utilized for authorized exports and reexports of agricultural commodities to Cuba?

For such exports and reexports, only the following payment and financing terms may be used: payment of cash in advance, or financing by a banking institution located in a third country, subject to certain restrictions. This limitation is required by the [Trade Sanctions Reform and Export Enhancement Act of 2000](#), 22 U.S.C. § 7207(b)(1). See [31 CFR § 515.533\(a\)\(4\)](#). This provision only applies to exports and reexports of “agricultural commodities,” as defined in [15 CFR part 772](#), and not to exports or reexports of “agricultural items” authorized pursuant to [15 CFR § 746.2\(b\)\(2\)\(iv\)](#).

Released on September 6, 2019

768. What does the regulatory term “cash in advance” mean?

The regulatory interpretation of “cash in advance,” which describes one of the permissible payment and financing terms for authorized exports and reexports of agricultural commodities, is “cash before transfer of title and control.” For the full text, see [31 CFR § 515.533](#).

Released on November 8, 2017

770. What types of goods and services produced by independent Cuban entrepreneurs are authorized for importation into the United States from Cuba pursuant to 31 CFR § 515.582?

Pursuant to [31 CFR § 515.582](#), certain goods and services produced by independent Cuban entrepreneurs, as set forth in a list maintained by the State Department on its website, are authorized for importation, and persons subject to U.S. jurisdiction may engage in associated transactions necessary to import these authorized goods and services. The State Department list provides details of the goods and services authorized for importation into the U.S. from Cuba pursuant to this provision. This list references sections and chapters of the Harmonized Tariff Schedule (HTS) of the United States to indicate categories of goods that are not eligible for importation into the United States pursuant to [§ 515.582](#), even if such goods were produced by independent Cuban entrepreneurs; any other goods produced by independent Cuban entrepreneurs and not covered by the listed sections and chapters of the HTS may be imported, as provided in the State Department’s [Section 515.582 list](#) and subject to compliance with all other relevant requirements under state and federal law and regulations. Section [515.582](#) authorizes the importation of all services supplied by independent Cuban entrepreneurs, again, as provided in the [State Department’s Section 515.582 list](#) and subject to compliance with other requirements in state and federal law and regulations. Imports authorized by [§ 515.582](#) are not subject to the limitations set forth in [§ 515.560\(c\)](#) or [§ 515.544](#), including the \$100 limitation on imported merchandise from Cuba or Cuban-origin merchandise from a third country intended as gifts.

Updated: June 08, 2022

Released on November 8, 2017