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## THE WHITE HOUSE ANNOUNCES HISTORIC NEW APPROACH TO CUBA

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On December 17, 2014, President Obama announced a new approach in U.S. policy and foreign relations with Cuba, including the re-establishment of diplomatic relations severed since 1961. The attorneys at Fox Rothschild LLP are evaluating the fleet of historic changes that will be implemented by the president's executive power. Stay tuned for more information from the firm.

According to the White House, some of the major elements of the new approach are:

- **Establishing Diplomatic Relations With Cuba**

The president has instructed the Secretary of State to immediately initiate discussions with Cuba on the re-establishment of diplomatic relations, which were severed in January 1961. The White House has also announced it will re-establish an embassy in Havana in the coming months and carry out high-level exchanges and visits between the two governments as part of the normalization process.

- **Adjusting U.S. Regulations To More Effectively Empower the Cuban People**

The changes announced will be implemented via amendments to executive branch regulations of the Departments of the Treasury and Commerce. Persons must comply with all provisions of the revised regulations. Violations of the terms and conditions are enforceable under U.S. law.

- **Facilitating an Expansion of Travel Under General Licenses for the 12 Existing Categories of Travel to Cuba Authorized by Law**

Travelers in the 12 categories of travel to Cuba authorized by law will be able to make arrangements through any service provider that complies with the U.S. Treasury's Office of Foreign Assets Control (OFAC) regulations governing travel services to Cuba, and general licenses will authorize provision of such services.

- **Facilitating Remittances to Cuba by U.S. Persons**

Remittance levels will be raised from \$500 to \$2,000 per quarter for general donative remittances to Cuban nationals (except to certain officials of the government or the Communist party). Donative remittances for humanitarian projects, support for the Cuban people and support for the development of private businesses in Cuba will no longer require a specific license. According to the White House, remittance forwarders will no longer require a specific license.

- **Authorizing Expanded Commercial Sales/Exports From the United States of Certain Goods and Services**

According to the White House, the expansion of U.S. exports to Cuba will seek to empower the nascent Cuban private sector. Items that will be authorized for export include certain building

materials for private residential construction, goods for use by private-sector Cuban entrepreneurs and agricultural equipment for small farmers. This change will make it easier for Cuban citizens to have access to certain lower-priced goods to improve their living standards and gain greater economic independence from the state.

- **Facilitating Authorized Transactions Between the United States and Cuba**

U.S. institutions will be permitted to open correspondent accounts at Cuban financial institutions to facilitate the processing of authorized transactions. The regulatory definition of the statutory term “cash in

advance” will be revised to specify that it means “cash before transfer of title.” This will provide more efficient financing of authorized trade with Cuba.

U.S. credit and debit cards will be permitted for use by travelers to Cuba. These measures will improve the speed, efficiency and oversight of authorized payments between the United States and Cuba.

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