

What are the travel authorizations in the Cuba program?

OFAC has issued general licenses within the 12 categories of authorized travel for many travel-related transactions to, from, or within Cuba that previously required a specific license (i.e., an application and a case-by-case determination).

Travel-related transactions are permitted by general license for certain travel related to the following activities, subject to the criteria and conditions in each general license: family visits; official business of the U.S. government, foreign governments, and certain intergovernmental organizations; journalistic activity; professional research and professional meetings; educational activities; religious activities; public performances, clinics, workshops, athletic and other competitions, and exhibitions; support for the Cuban people; humanitarian projects; activities of private foundations or research or educational institutes; exportation, importation, or transmission of information or information materials; and certain authorized export transactions.

In accordance with the NSPM, OFAC is adding a new prohibition to restrict 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. In order to implement this prohibition, OFAC is making a conforming change to § 515.421 and is adding corresponding language in the following general licenses: §§ 515.530, 515.534, 515.545, 515.560, 515.561, 515.564, 515.565, 515.566, 515.567, 515.572, 515.573, 515.574, 515.576, 515.577, 515.578, 515.581, 515.584, and 515.590. OFAC has not incorporated this prohibition into certain general licenses in accordance with the exceptions detailed in section 3(a)(iii) of the NSPM. [11-08-2017]

Are persons subject to U.S. jurisdiction who have initiated travel arrangements to Cuba pursuant to the authorization for educational travel (31 CFR § 515.565(a)) required to cancel their Cuba-related travel plans if their travel arrangements are inconsistent with the CACR as amended on November 9, 2017?

Travelers may engage in educational travel and related transactions for a trip consistent with the authorization for educational travel (31 CFR § 515.565(a)) as the authorization existed on June 16, 2017 when the President announced the new Cuba policy, provided the traveler completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) for that particular trip prior to November 9, 2017 and further provided any new travel-related transactions initiated on or after November 9, 2017 do not involve a direct financial transaction with entities and subentities on the State Department's Cuba Restricted List. See FAQs 14 and 29, which discuss changes to authorizations for carriers that may affect the mode of travel used for this grandfather provision. [06-04-2019]

What is an “organization” in the people-to-people context? Are such organizations required to apply to OFAC for a specific license?

Effective June 5, 2019, in further accordance with the President's foreign policy toward Cuba announced in April 2019, OFAC removed the authorization for group people-to-people educational travel in § 515.565(b). There is a grandfather provision in § 515.565(b) that authorizes certain group people-to-people educational travel that previously was authorized where the traveler has already completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) prior to June 5, 2019. For purposes of that grandfather clause only, an “organization” is an entity subject to U.S. jurisdiction that sponsors educational

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exchanges that do not involve academic study pursuant to a degree program and that sponsors such exchanges to promote people-to-people contact. To the extent proposed travel falls within the scope of the grandfather provision for group people-to-people educational travel, organizations subject to U.S. jurisdiction may proceed with sponsoring such travel without applying to OFAC for a specific license. It is OFAC's policy not to grant applications for a specific license authorizing transactions where a general license is available. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.565(b). OFAC will apply a policy of denial with respect to applications for a specific license authorizing prohibited people-to-people travel and related transactions effective June 5, 2019. [06-04-2019]

What is *individual* people-to-people travel and who may engage in travel-related transactions for such travel?

Individual people-to-people travel is educational exchange travel that: (i) does not involve academic study; and (ii) does not take place under the auspices of an organization that is subject to U.S. jurisdiction that sponsors such exchanges to promote people-to-people contact. On November 9, 2017, in accordance with the NSPM, OFAC amended the general license for people-to-people educational activities in Cuba to remove the authorization for individual people-to-people educational travel. [06-04-2019]

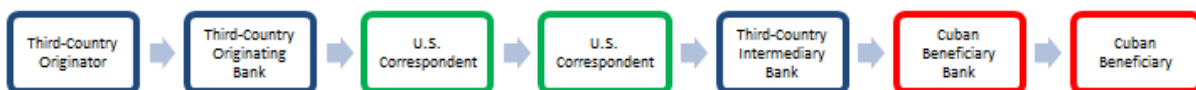
May the U.S. dollar be used to conduct transactions in Cuba or with Cuban nationals?

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.

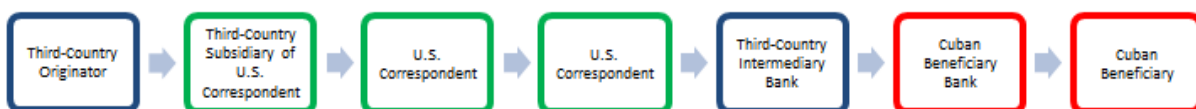
In addition, 31 CFR § 515.584(d), commonly known as the "U-turn" general license, authorizes U.S. banking institutions to process transactions originating and terminating outside the United States provided that neither the originator nor the beneficiary is a person subject to U.S. jurisdiction. This means that transactions related to third-country commerce involving Cuba or Cuban nationals may be processed in U.S. dollars through the U.S. financial system via financial institutions located in the United States that serve as intermediary banks. Additional FAQs below clarify that foreign branches or subsidiaries of U.S. banking institutions may act as the originating or beneficiary banks for such transactions.

The examples below illustrate some of the transactions and parties that may use the U-turn general license:

Example 1 – Payment from 3rd Country Originator to Cuba



Example 2 – Payment from 3rd Country Originator A/C at Foreign Subsidiary of U.S. FI to Cuba



Example 3 – Payment from Cuban Originator to Third-Country Beneficiary Bank and Beneficiary



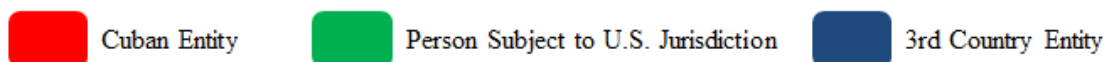
Example 4 - Payment from Cuban Originator to A/C at Foreign Branch of U.S. FI



Example 5 – Payment from Cuban National in 3rd Country to A/C at Foreign Branch of U.S. FI



Example 6 – Commercial Third-Country Transaction Related to Cuba



[11-08-2017]

Does § 515.584(d) of the CACR permit authorized U-turn transactions to originate or terminate at foreign branches and subsidiaries of U.S. banking institutions?

Yes. Section 515.584(d) of the CACR authorizes U.S. banking institutions to process funds transfers originating and terminating outside the United States as long as neither the originator nor the beneficiary is a person subject to U.S. jurisdiction. Fund transfers originating and terminating in accounts maintained at foreign branches and subsidiaries of U.S. banking institutions would be consistent with the general license authorization as long as all the other requirements are met. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.584(d). [11-08-2017]

What due diligence is a U.S. banking institution processing an authorized U-turn transaction expected to undertake from a sanctions compliance perspective?

OFAC expects U.S. banks, including their foreign branches and subsidiaries, to conduct due diligence on their own direct customers (including, for example, ownership structure (for entities), proof of citizenship (for individuals), and address information) to confirm that the transactions being processed are consistent with the U-turn general license authorization. All banks, including those acting solely as intermediaries, should screen against OFAC's SDN List and their own internal filters.

In cases where the remitter or beneficiary of the transaction is not a direct customer, unless a U.S. banking institution that is acting as an intermediary knows or has reason to know that the remitter or beneficiary of a transaction is a person subject to U.S. jurisdiction, the U.S. banking institution may rely on the remitter's and/or beneficiary's address as stated in the transaction to determine whether the remitter or beneficiary is a person subject to U.S. jurisdiction.

With regard to transactions where a bank is acting solely as an intermediary and fails to block a prohibited transaction engaged in by a person subject to U.S. jurisdiction, OFAC will consider the totality of the circumstances surrounding the bank's processing of the transaction, including the factors listed above, to determine what, if any, enforcement action to take against the bank.

Intermediary banks should continue their own internal due diligence measures when processing such transactions, such as screening transactions against OFAC's SDN List as well their own internal filters. Note, however, that transactions meeting the requirements of 31 CFR § 515.584(d) may be processed notwithstanding the involvement of a specially designated national of Cuba, as defined in 31 CFR § 515.306 in the transaction. *[11-08-2017]*