



JANUARY 19, 2015

CIRCULAR NO. 05/15

TO MEMBERS OF THE ASSOCIATION

Dear Member:

THE US EMBARGO IN REGARD TO CUBA: REGULATORY CHANGES

As has been extensively reported in the press, the United States has modified the regulations governing the US embargo on Cuba. These result from policy changes announced by President Obama on December 17, 2014.

The regulatory amendments in question facilitate travel to Cuba for authorized purposes, facilitate the provision by travel agents and airlines of authorized travel services and the forwarding by certain entities of authorized remittances, raise the limit on certain categories of remittances to Cuba, allow US financial institutions to open correspondent accounts at Cuban financial institutions to facilitate the processing of authorized transactions, authorize certain transactions with Cuban nationals located outside Cuba, and allow a number of other activities related to, among other areas, telecommunications, financial services, trade and shipping. The amendments also implement certain technical and conforming changes.

A copy of the amended regulations as well as an FAQ publication from the US Treasury Department is available at:

<http://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150115.aspx>

A fact sheet regarding the amendments to the embargo can be found at:

<http://www.treasury.gov/press-center/press-releases/Pages/jl9740.aspx>

Of most relevance to Members, and to the shipping industry in general, is the amendment to the regulations dealing with the entry into the United States of vessels engaging in trade with Cuba.

Prohibitions

Currently, under relevant regulations:

- (a) No vessel that enters a port or place in Cuba to engage in the trade of goods or the purchase or provision of services, may enter a US port for the purpose of loading or unloading freight for a period of 180 days from the date the vessel departed from a port or place in Cuba; and
- (b) No vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has an interest may enter a US port with such goods or passengers on board.



Exceptions

In summary, generally, as a result of the amendment of the relevant regulations, exceptions to the foregoing prohibitions apply in cases where:

- the exportation or reexportation of the cargo in question is licensed or otherwise authorized by the Department of Commerce;
- the trade is specifically licensed by the US Treasury Department or pursuant to relevant regulations;
- the trade is for the exportation of medicine or medical supplies from a third country to Cuba;
- the trade is for the importation from Cuba and the exportation to Cuba of information or informational materials, whether commercial or otherwise;
- the vessel is engaging or has engaged in the exportation or re-exportation to Cuba from a third country of agricultural commodities, medicine, or medical devices that would be designated as EAR99 under the Export Administration Regulations, if they were located in the United States; or
- a foreign vessel entered a port or place in Cuba while carrying students, faculty, and staff that are authorized to travel to Cuba pursuant to the US Cuba embargo regulations. The foregoing exception applies to persons and not to vessels. Authorization for vessels to transport persons between the United States and Cuba is subject to separate authorization.

Members are asked to note their records accordingly. If Members should have any questions in regard to the above, or generally, the Managers will be pleased to answer them.

Yours faithfully,


Joseph E. M. Hughes, Chairman & CEO
~~Shipowners Claims Bureau, Inc., Managers for~~
THE AMERICAN CLUB