



MAY 21, 2026

CIRCULAR NO. 12/26

TO MEMBERS OF THE ASSOCIATION

Dear Member:

CUBA SANCTIONS UPDATES AND ISSUANCE OF EXECUTIVE ORDER 14404

On May 1, 2026, President Donald Trump signed a new [Executive Order 14404](#), “Imposing Sanctions on Those Responsible for Repression in Cuba and for Threats to United States National Security and Foreign Policy” (the “Order”). This Executive Order significantly expands U.S. sanctions authorities targeting Cuba-related activities. The Order authorizes the U.S. Department of the Treasury and the U.S. Department of State to impose blocking sanctions on foreign persons involved in a broad and non-exhaustive list of sectors of the Cuban economy or otherwise supporting the Cuban government. This Circular serves as an update to [Circular 23/21](#) on the U.S. embargo of Cuba. The Order establishes a new sanctions program which is separate from, and in addition to, the regulations covered by that prior Circular.

The Order authorizes sanctions against foreign (*i.e.*, non-U.S.) persons determined to: (i) operate in sectors of the Cuban economy identified by the U.S. government, including but not limited to the energy, defense, metals and mining, financial services, and security sectors, (ii) act for or on behalf of the Government of Cuba or designated persons; (iii) provide material, financial, or technological support to the Cuban government or blocked parties; or (iv) serve as senior officials or family members of designated persons. The list of relevant sectors is non-exhaustive because the Order authorizes the targeting of those operating in “any other sector of the Cuban economy” as may be determined by the Treasury, in consultation with the Secretary of State. The Order also authorizes sanctions on foreign financial institutions that facilitate significant transactions for blocked persons, creating secondary sanctions exposure for non-U.S. financial institutions.

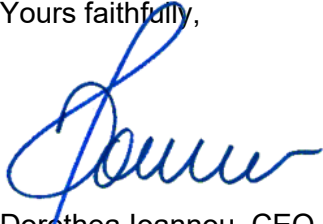
The Order prohibits U.S. persons from engaging in transactions involving blocked property but expressly preserves the validity of licenses issued pursuant to the Cuban Assets Control Regulations (CACR), meaning existing CACR authorizations remain effective unless otherwise modified.

OFAC has already begun implementing Executive Order 14404 through new designations and related guidance. Treasury issued [Frequently Asked Question 1251](#) clarifying the scope of the new authorities and confirming that the Order expands sanctions tools available against foreign persons connected to the Cuban government and related activities. Recent enforcement actions and public statements also indicate that the U.S. government has commenced designations pursuant to Executive Order 14404 targeting persons associated with Cuba’s security and repression apparatus.

Members are encouraged to review the full Executive Order available [here](#) and [FAQ](#) here. Members are reminded that cover is not available for any trade that breaches applicable sanctions. Members are advised that they should conduct thorough due diligence on the parties, cargoes, vessels and other service providers that are or may be involved before they engage in any trade with a high

sanctions risk. Finally, Members are reminded to keep records of their due diligence investigations and findings.

Yours faithfully,



Dorothea Ioannou, CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB