



OCTOBER 21, 2016

CIRCULAR NO. 36/16

TO MEMBERS OF THE ASSOCIATION

Dear Member:

THE US EMBARGO OF CUBA: FURTHER GUIDANCE – 180 DAY PROHIBITION WAIVER

Reference is made to **Circular No. 02/16** of January 8, 2016 which provided further guidance for Members regarding the laws and regulations governing the US embargo of Cuba following President Obama's December 2014 policy direction toward that country.

The US Department of Treasury's Office of Foreign Assets Control (OFAC) has announced further changes that take effect as of October 17, 2016 to implement the relaxation of the embargo. These changes can be found at:

<https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20161014.aspx>

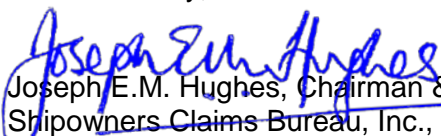
Of particular interest to non-US vessels and shipowners (non-US Members of the Association) is the waiver of the rule prohibiting vessels from calling in the United States for 180 days after vessels have called in Cuba. It is beyond the scope of this Circular to describe all the relevant changes but, in brief, the above generally means that vessels that have delivered agricultural commodities, medicine, medical devices and purely civilian (e.g. crude oil, machinery, building products) cargoes to Cuba will no longer be prohibited from calling in the United States after they have called in Cuba.

For US vessels and shipowners (US Members of the Club) that may wish to engage in services to and from Cuba, the new changes will require more detailed review and discussion than the scope of this Circular permits. However, Club coverage is available for vessels and shipowners which are authorized and which are transporting authorized cargo and passengers between the United States and Cuba.

It is highly recommended that Members contemplating a prospective fixture or voyage to Cuba, or which involve Cuban entities, should contact the Managers in advance to obtain their feedback as to whether such trade may prejudice the Member's cover.

Should Members wish to discuss any questions regarding any aspect of the foregoing and other sanctions in general, or for confirmations as to the availability of cover for voyages involving Cuba or other countries subject to US economic sanctions, please contact: Charles J. Cuccia, Senior Vice President - Compliance, ph +1 212 847 4539, mob +1 917 215 2883, charles.cuccia@american-club.com.

Yours faithfully,


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