

# Cuba Sanctions

## Practitioner's Reference Guide

Cuban Assets Control Regulations (CACR) | 31 CFR Part 515  
E.O. 14380 (January 29, 2026) | E.O. 14404 (May 1, 2026)

*Current as of May 2026 | Prepared by mrsanctions.com*

*This guide is for informational purposes only and does not constitute legal advice. Verify all information against current OFAC publications before use in compliance decisions.*

# 1. How to Use This Guide

## NAVIGATION GUIDE

This guide covers two parallel Cuba sanctions regimes. Use the map below to find the right section:

- **Screening counterparties / understanding who is blocked:** Section 3 (CACR Prohibitions) and Section 5 (E.O. 14404). Note that the 50% Rule applies differently — Section 6.
- **Evaluating a Cuba-related transaction:** Section 3 (what is prohibited), Section 4 (general license catalog), Section 7 (specific license).
- **Travel to Cuba:** Section 4.2 (12 authorized categories) and Section 4.3 (Cuba Restricted List travel exclusions).
- **Foreign financial institutions (non-U.S. banks):** Section 5.4 (E.O. 14404 secondary sanctions for FFIs). This is new as of May 2026.
- **Remittances:** Section 4.4 (CACR remittance general licenses and October 2020 restrictions).
- **Reporting, recordkeeping:** Section 8 (Checklist, Step 6).
- **FAQs and primary source index:** Sections 9 and 10.

## CROSS-PROGRAM WARNING

Cuba sanctions operate under two distinct legal frameworks — the CACR (based on TWEA) and the new E.O. 14404 program (based on IEEPA) — with different scopes, targets, and prohibitions. Do not reason by analogy from other OFAC programs such as Iran or Russia sanctions. Many features of those programs (e.g., secondary sanctions thresholds, sectoral restrictions on non-designated persons) have no direct CACR equivalent, though E.O. 14404 now introduces secondary sanctions risk for foreign persons. Always identify which authority applies before drawing compliance conclusions.

## 2. Overview and Legislative/Regulatory Framework

Cuba sanctions are the oldest active U.S. economic sanctions program, tracing to the early 1960s. As of 2026 the program consists of two parallel regimes administered by OFAC: the long-standing Cuban Assets Control Regulations (CACR) and a new IEEPA-based program established by E.O. 14404 in May 2026.

### 2.1 CACR Statutory Framework

The CACR ([31 CFR Part 515](#)) draw authority from:

### 2.2 IEEPA-Based Framework — New as of 2026

[E.O. 14380](#) (January 29, 2026): Declared a national emergency with respect to threats posed by the Government of Cuba, invoking IEEPA ([50 U.S.C. §§ 1701 et seq.](#)). This EO set the predicate national emergency for subsequent designation authority.

[E.O. 14404](#) (May 1, 2026): Takes further steps with respect to the national emergency declared in E.O. 14380. Establishes a new Cuba sanctions program authorizing blocking sanctions and certain less-than-blocking sanctions against foreign persons determined to engage in specified conduct, and authorizing secondary sanctions against foreign financial institutions (FFIs) that conduct significant transactions with E.O. 14404-blocked persons. ([FAQ #1251](#))

## 2.3 Two Programs Running in Parallel

The CACR and E.O. 14404 function in parallel and are legally distinct. They are not redundant: the CACR is a jurisdictional program applying to all transactions by persons subject to U.S. jurisdiction with Cuba and Cuban nationals; E.O. 14404 is a targeted designation program applying specifically to foreign persons determined to engage in specified harmful conduct. Being outside the scope of the CACR does not mean E.O. 14404 does not apply, and vice versa.

### **CRITICAL DISTINCTION: TWEA vs. IEEPA Authority**

The CACR is issued pursuant to TWEA, which is distinct from IEEPA. E.O. 14404 is issued pursuant to IEEPA. TWEA and IEEPA have different statutory terms, different penalty provisions, and different procedural frameworks. Do not assume that standards, precedents, or judicial interpretations applicable to IEEPA-based programs (Iran, Russia) automatically apply to the CACR.

### **KEY COMPLIANCE TAKEAWAY**

Cuba sanctions consist of two parallel regimes: the comprehensive CACR (TWEA-based, covering all persons subject to U.S. jurisdiction) and the new E.O. 14404 program (IEEPA-based, covering specified foreign persons) — both must be checked independently.

## 3. CACR: Core Prohibitions

### 3.1 Scope — Who Must Comply

The CACR apply to any "person subject to U.S. jurisdiction," which the regulations define broadly (31 CFR § 515.329) to include:

**NOTE: CACR Reach Beyond U.S. Borders**

The CACR apply to U.S. persons wherever located and to foreign entities owned or controlled by U.S. persons. A U.S. bank's foreign subsidiary may be a person subject to U.S. jurisdiction if owned or controlled by the U.S. parent. This is distinct from most IEEPA-based programs and is a frequent source of compliance gaps for multinational groups.

### 3.2 What Is Blocked

Under [31 CFR § 515.201](#), persons subject to U.S. jurisdiction are prohibited from engaging in virtually all transactions in which Cuba or a Cuban national has any interest, unless licensed by OFAC or exempted. Specifically:

### 3.3 Who Is a "Cuban National"

The term "Cuban national" ([31 CFR § 515.302](#)) includes:

**WARNING: Cuban National Blocking Applies Regardless of SDN Listing**

Unlike many other OFAC programs, the CACR blocks ALL Cuban nationals' property — not just those listed on the SDN List. A person subject to U.S. jurisdiction may not process a payment for any Cuban national, regardless of whether that individual appears on any OFAC list. The SDN List is relevant for targeted sanctions (including GAESA and other Cuban military entities) but does not define the outer boundary of the CACR prohibitions.

### 3.4 The 50% Rule in the CACR Context

Under OFAC's standard 50% Rule, any entity owned 50 percent or more in the aggregate by one or more SDN-listed persons is itself treated as blocked, even if not separately listed. In the CACR context, this rule operates but is secondary: because all Cuban nationals are blocked, any entity majority-owned by Cuban nationals is already blocked under the general CACR prohibitions, regardless of whether the 50% Rule independently applies.

**KEY LIMIT: 50% Rule in the CACR**

The 50% Rule applies to SDN-listed Cuban persons under the CACR (meaning unlisted entities they control 50%+ are blocked). However, the broader CACR prohibition already blocks all Cuban nationals regardless of listing. Check the Cuba Restricted List separately: the 50% Rule does NOT apply to the Cuba Restricted List — entities owned or controlled by a Cuba Restricted List entity are NOT restricted unless also separately named on the List. (FAQ #760)

### 3.5 Government of Cuba Definition

The "Government of Cuba" ([31 CFR § 515.305](#)) means the Government of Cuba, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Cuba, and any person

owned or controlled by, or acting for or on behalf of, the Government of Cuba. Transactions with any such person are prohibited unless licensed.

**KEY COMPLIANCE TAKEAWAY**

The CACR imposes a comprehensive prohibition on all transactions with Cuba or any Cuban national; the SDN List defines additional targeted designees but does not limit the broader jurisdictional reach.

## 4. CACR: General Licenses

The CACR contain numerous general licenses (GLs) that authorize categories of otherwise-prohibited transactions without the need for a specific license. All GLs are subject to the Cuba Restricted List prohibition (§ 515.209) and other conditions described below. A person relying on a GL must satisfy all criteria and retain required records.

### 4.1 The Cuba Restricted List Prohibition — § 515.209

On November 9, 2017, OFAC amended the CACR to prohibit [direct financial transactions](#) with entities and subsidiaries identified on the [State Department's Cuba Restricted List](#). This prohibition applies across virtually all travel and commercial GLs. (FAQ #734)

#### **WARNING: No 50% Rule on Cuba Restricted List**

The Cuba Restricted List does NOT carry the OFAC 50% Rule. An entity 51% owned by a CRL-listed entity is not automatically restricted unless itself named on the CRL. This is the opposite of SDN List treatment. Practitioners who incorrectly apply the 50% Rule to the CRL will over-restrict transactions. Verify that each entity is specifically named before applying the CRL prohibition.

### 4.2 The 12 Categories of Authorized Travel (§ 515.560(a))

Consistent with TSRA, [§ 515.560\(a\)](#) provides that travel-related transactions are permitted only for the following 12 categories, each of which has its own general license in the CACR:

#### **CRITICAL: Tourist Travel Remains Prohibited**

Tourist travel to Cuba is not authorized under any general license and cannot be licensed by OFAC pursuant to TSRA. The 12 categories are exhaustive. Travel that does not fit within one of the 12 categories requires a specific license, which OFAC may decline to issue for tourist purposes. Cruise ship calls to Cuba are currently prohibited under a separate restriction.

### 4.3 Cuba Prohibited Accommodations — § 515.210

Since September 24, 2020, [§ 515.210](#) prohibits any person subject to U.S. jurisdiction from lodging, paying for lodging, or making reservations at any property identified by the Secretary of State as being owned or controlled by the Cuban government, a prohibited official of the Government of Cuba ([§ 515.337](#)), a prohibited member of the Cuban Communist Party ([§ 515.338](#)), or their close relatives ([§ 515.339](#)). The State Department maintains the Cuba Prohibited Accommodations List identifying such properties.

### 4.4 Remittances

Remittances to Cuba are authorized under [§ 515.570](#) in the following categories, subject to conditions:

#### **NOTE: Cuban Military Remittance Prohibition (October 2020)**

As of October 26, 2020, OFAC amended the CACR to prohibit the processing of remittance-related transactions by Cuban military-controlled entities. Depository institutions must ensure they are not using Cuban military-controlled entities (including GAESA-affiliated entities) to process remittances, even where the underlying remittance is otherwise authorized.

## 4.5 Other Key General Licenses

### **KEY COMPLIANCE TAKEAWAY**

All CACR general licenses require satisfying all operative conditions; the Cuba Restricted List prohibition applies across virtually all GLs and must be checked against the State Department's current list for every direct financial transaction.

## 5. E.O. 14404: New IEEPA-Based Cuba Sanctions Program (May 2026)

[E.O. 14404](#) (May 1, 2026) establishes a new Cuba sanctions program under IEEPA, separate from and in addition to the CACR. As of May 2026, this is a newly operational program. Key features:

### 5.1 Designation Authority — Section 2(a)(i)

E.O. 14404 authorizes the Secretary of the Treasury (in consultation with the Secretary of State) or the Secretary of State (in consultation with the Secretary of the Treasury) to impose blocking sanctions on any foreign person determined to meet one or more of the following criteria:

#### **CRITICAL: E.O. 14404 Targets FOREIGN Persons Only**

E.O. 14404's designation authority (§ 2(a)(i)) applies only to foreign persons — it does not provide independent designation authority over U.S. persons. U.S. persons remain subject to the CACR's comprehensive prohibitions. However, U.S. persons are prohibited from engaging in transactions with foreign persons blocked pursuant to E.O. 14404.

### 5.2 Five Identified Economic Sectors

The five sectors identified in [E.O. 14404](#) § 2(a)(i)(A) — energy; defense and related materiel; metals and mining; financial services; and security — represent sectors of the Cuban economy whose operators are exposed to U.S. sanctions risk. Mere operation in a sector does not automatically result in designation; it creates exposure to designation by the Secretaries of Treasury and State. ([FAQ #1256](#))

#### **KEY LIMIT: Sector Listing Is Not Automatic Designation**

Operating in an identified sector creates sanctions RISK, not automatic sanctions. Designation requires a formal determination by the Secretary of the Treasury or Secretary of State. However, foreign financial institutions and businesses should treat sector exposure as a material due diligence red flag and conduct enhanced screening of Cuban counterparties in these sectors.

### 5.3 Blocking Prohibitions for Designated Persons

Once a person is designated under E.O. 14404, § 2(c) prohibits U.S. persons (and transactions within the United States) from:

### 5.4 Foreign Financial Institution (FFI) Secondary Sanctions — Section 4

Section 4 of [E.O. 14404](#) authorizes the Secretary of the Treasury to impose sanctions on any foreign financial institution (FFI) determined to have conducted or facilitated any **significant transaction** for or on behalf of any E.O. 14404-blocked person. ([FAQ #1251](#))

Sanctions on FFIs may include one or both of:

#### **CRITICAL: No Bright-Line "Significant Transaction" Threshold**

E.O. 14404 does not define "significant transaction" for FFI purposes. Unlike CAATSA's Russia secondary sanctions or other programs, there is no dollar-amount safe harbor or exemption list published as of May 2026. OFAC has indicated it will publish guidance on this standard. Pending guidance, FFIs should apply heightened caution and consult OFAC's general enforcement factors for determining significance: the size, nature, and importance of the transaction; whether the transaction was refused or circumvented; the aggregate value of transactions; and the role of the FFI in facilitating the transaction.

## 5.5 Enforcement Track Record — E.O. 14404 Designations to Date

Date	Party Sanctioned	Transaction / Violation	Compliance Implications
May 7, 2026	Grupo de Administración Empresarial S.A. (GAESA)	State Department designated GAESA pursuant to E.O. 14404, Criterion A (financial services sector) and B (Government of Cuba). GAESA controls much of Cuba's hard-currency tourism and retail economy.	Non-U.S. persons transacting with GAESA (or entities 50%+ owned by GAESA) face secondary sanctions risk under § 4. U.S. persons were already prohibited from transacting with GAESA under the CACR.
May 7, 2026	Multiple GAESA subsidiaries	State Department designated GAESA subsidiaries operating in the financial services, energy, and security sectors.	FFIs with correspondent relationships processing transactions involving GAESA subsidiaries should assess "significant transaction" risk. U.S. persons are prohibited from transacting without a specific OFAC license.

Read-across: The GAESA designation demonstrates that E.O. 14404 is being applied to entities already subject to CACR prohibitions to add secondary sanctions risk for non-U.S. persons. Foreign banks previously transacting with GAESA — which had no exposure to U.S. secondary sanctions risk under the CACR — now face that risk. The 30-day wind-down posture (ending June 5, 2026) was explicitly limited to transactions not otherwise prohibited by the CACR (i.e., foreign-to-foreign transactions).

## 5.6 General License 1 — Transactions Authorized Under the CACR

On May 7, 2026, OFAC issued [Cuba-related General License 1 \(GL 1\)](#), authorizing all transactions prohibited by E.O. 14404 to the extent they are authorized or exempt under the CACR, including transactions authorized by any CACR general or specific license. (FAQ #1253)

## 5.7 Relationship Between CACR and E.O. 14404 — Parallel Operation

OFAC has confirmed the following key interaction rules:

### CRITICAL: CACR Does NOT Provide E.O. 14404 Coverage

Being authorized by the CACR for a specific transaction does not mean the transaction is automatically permissible under E.O. 14404. If the counterparty is designated under E.O. 14404, a U.S. person needs GL 1 coverage (which will apply if the transaction is CACR-authorized) or a specific license under E.O. 14404. A foreign person needs to assess its own E.O. 14404 exposure, which the CACR does not address.

### KEY COMPLIANCE TAKEAWAY

E.O. 14404 is a new secondary sanctions program targeting foreign persons that support Cuba's

military and security apparatus; FFIs worldwide face sanctions risk for facilitating significant transactions with E.O. 14404-blocked persons, with no published bright-line threshold as of May 2026.

## 6. Sanctions Lists Comparison

Cuba sanctions involve four distinct lists, administered by OFAC and the State Department, with different operative effects. The table below summarizes each list.

List	Authority	Who Listed?	50% Rule?	Key Effect
SDN List (CACR)	OFAC — CACR authority	Cuban nationals & entities incl. GAESA	YES	All property blocked; U.S. persons prohibited from all dealings
SDN List (E.O. 14404)	OFAC/State Dept — IEEPA authority	Foreign persons meeting E.O. 14404 criteria	YES	All property blocked; FFI secondary sanctions risk
Cuba Restricted List (CRL)	State Department — NSPM-5	Cuban military, intelligence, security entities	NO	Direct financial transactions prohibited under 31 CFR § 515.209
Cuba Prohibited Accommodations List	State Department	Hotels/properties owned by Cuban govt or prohibited officials	N/A	Lodging at listed properties prohibited under § 515.210

### **WARNING: 50% Rule Does NOT Apply to the Cuba Restricted List**

Unlike the SDN List, the Cuba Restricted List does not carry the OFAC 50% Rule. An entity owned by a CRL-listed entity is not automatically on the CRL. This is explicitly confirmed: entities or subsidiaries owned or controlled by a CRL-listed entity are not treated as restricted unless also separately specified by name on the Cuba Restricted List.

Note on the SDN List and E.O. 14404 designations: As of May 7, 2026, GAESA and certain subsidiaries appear on the SDN List designated under E.O. 14404 (in addition to pre-existing CACR-based designations). An entity may appear on the SDN List under one or both authorities; the authority tag next to each entry determines which program applies and which legal consequences follow.

### **KEY COMPLIANCE TAKEAWAY**

Run compliance checks against all four Cuba-related lists: the SDN List (under both CACR and E.O. 14404 programs), the Cuba Restricted List, and the Cuba Prohibited Accommodations List — each imposes distinct obligations.

## 7. Licensing

### 7.1 General Licenses

The CACR contain extensive general licenses, all of which are self-executing (no advance OFAC approval is required to rely on them). Key categories of Cuba-specific GLs include the travel categories described in Section 4.2, remittances under § 515.570, and the various trade and financial service authorizations. GL 1 under E.O. 14404 authorizes CACR-permitted transactions also under E.O. 14404.

#### **SAFE HARBOR: Self-Executing General Licenses**

Persons relying on a GL need not apply to OFAC in advance. However, they must: (1) satisfy ALL conditions stated in the GL; (2) not engage in any transaction specifically excluded by the GL; (3) maintain records required by 31 CFR §§ 501.601 and 501.602; and (4) independently check that the counterparty does not appear on the Cuba Restricted List (which overrides most GLs). (FAQ #697)

### 7.2 Specific License Policy

Persons wishing to engage in transactions not covered by a GL may apply for a specific license at the [OFAC License Application Page](#). For Cuba, specific licenses are generally granted for:

#### **NOTE: Tourist Travel Cannot Be Licensed**

OFAC cannot issue a specific license for tourist travel to Cuba. TSRA restricts OFAC from licensing travel for tourist activities. Any transaction related solely to tourist activities in Cuba cannot be authorized by OFAC regardless of the circumstances.

#### **KEY COMPLIANCE TAKEAWAY**

Licensing is extensive but bounded: TSRA prohibits tourist travel licenses, CACR GLs always require satisfying all conditions, and E.O. 14404 GL 1 provides CACR-parallel coverage without expanding CACR authorizations.

## 8. Compliance Quick-Reference Checklist

Apply this checklist to every proposed transaction with a Cuba nexus. Both regimes must be checked independently.

Step 1	Does the transaction involve any Cuban nexus? (Cuban party, Cuban-origin goods, Cuba as jurisdiction) If NO → CACR may not apply. If YES → continue.
Step 2	Is any party a "person subject to U.S. jurisdiction" as defined in 31 CFR § 515.329? If YES → all CACR prohibitions apply. If NO → check E.O. 14404 for FFI/foreign person exposure (Step 7).
Step 3	Screen all parties against the SDN List at <a href="https://sanctionssearch.ofac.treas.gov">sanctionssearch.ofac.treas.gov</a> under both Cuba (CACR) and E.O. 14404 program tags. Apply 50% Rule to SDN-listed persons.
Step 4	Screen all Cuban entities against the Cuba Restricted List (State Dept.). Remember: 50% Rule does NOT apply to CRL. Only named entities and subentities are restricted.
Step 5	If travel or lodging is involved: check the Cuba Prohibited Accommodations List. Confirm property is not owned by a prohibited official or Cuban Communist Party member.
Step 6	Does a CACR general license cover the transaction? Review the applicable GL in 31 CFR Part 515. Confirm ALL conditions are satisfied. If CRL-listed entity is involved, GL coverage is lost for direct financial transactions.
Step 7	If you are a foreign financial institution (FFI): assess whether any counterparty is designated under E.O. 14404. Facilitating a "significant transaction" for an E.O. 14404-blocked person risks FFI sanctions. No bright-line threshold as of May 2026.
Step 8	If no GL applies and transaction is not prohibited outright (e.g., tourist travel): evaluate whether a specific license application is appropriate. File at OFAC License Application Page.
Step 9	If goods are Cuban-origin: confirm goods are not being imported in violation of § 515.201 prohibition on Cuban-origin imports. Check whether goods qualify under TSRA agricultural/medicine exception.
Step 10	Record all documentation: transaction records, GL reliance basis, CRL and SDN screening results, and supporting certifications. Retain for a minimum of 5 years (31 CFR § 501.601).

## 9. Key FAQs

### New E.O. 14404 FAQs (May 2026)

#### FAQ #1251: What does E.O. 14404 do?

E.O. 14404 takes additional steps under the national emergency declared in E.O. 14380 of January 29, 2026. It authorizes blocking sanctions on foreign persons determined to engage in specified harmful activities (see Section 5.1 criteria A–I) and authorizes secondary sanctions against FFIs that conduct or facilitate significant transactions for or on behalf of E.O. 14404-blocked persons. The EO is separate from and does not alter the CACR. (FAQ #1251) [\[FAQ #1251\]](#)

#### FAQ #1252: Does E.O. 14404 alter the CACR?

No. All existing CACR prohibitions and authorizations remain in effect. The two authorities function in parallel. E.O. 14404 and the CACR are issued under different statutes (IEEPA vs. TWEA) and operate independently. (FAQ #1252) [\[FAQ #1252\]](#)

#### FAQ #1253: What does Cuba GL 1 authorize?

GL 1 authorizes all transactions prohibited by E.O. 14404 to the extent they are authorized or exempt under the CACR, including transactions authorized by general or specific CACR license. GL 1 is self-executing and does not expand CACR authorizations. Transactions prohibited by E.O. 14404 and not covered by the CACR require separate E.O. 14404 authorization. (FAQ #1253) [\[FAQ #1253\]](#)

#### FAQ #1254: Are foreign persons at risk for transacting with GAESA?

Yes. Following GAESA's designation on May 7, 2026, foreign persons including FFIs face sanctions risk for transactions with GAESA or its 50%+ owned subsidiaries. A 30-day wind-down posture was established (ending June 5, 2026) for non-targeting of transactions ordinarily incident to winding down. U.S. persons were separately subject to CACR prohibitions on GAESA and were not covered by the wind-down posture for CACR purposes. (FAQ #1254) [\[FAQ #1254\]](#)

#### FAQ #1255: Are CACR-blocked persons automatically blocked under E.O. 14404?

No. CACR designations and E.O. 14404 designations are separate. An entity blocked under the CACR is only blocked under E.O. 14404 if separately determined to meet E.O. 14404 criteria. Persons may be listed under one or both authorities; the program tag on the SDN entry identifies which authorities apply. (FAQ #1255) [\[FAQ #1255\]](#)

#### FAQ #1256: Are all persons in the five identified sectors automatically sanctioned?

No. Identification of the five sectors (energy; defense and related materiel; metals and mining; financial services; security) exposes operators to sanctions risk but does not automatically impose sanctions. Only persons specifically determined by OFAC or the State Department are subject to blocking sanctions. (FAQ #1256) [\[FAQ #1256\]](#)

### Ongoing CACR FAQs

#### FAQ #695: What are the general travel authorizations in the Cuba program?

Travel is permitted by general or specific license for the 12 categories in § 515.560(a) (see Section 4.2). All categories are subject to the Cuba Restricted List prohibition. Each traveler must maintain records required under 31 CFR §§ 501.601 and 501.602. [\[FAQ #695\]](#)

#### FAQ #698: Is tourist travel permitted?

No. Tourist travel is not authorized by any GL and OFAC may not issue a specific license for it under TSRA. [\[FAQ #698\]](#)

#### FAQ #734: What is the Cuba Restricted List?

The CRL identifies Cuban entities owned or controlled by Cuban military, intelligence, or security services with which direct financial transactions are prohibited. The 50% Rule does NOT apply — only specifically named entities are restricted. [\[FAQ #734\]](#)

**FAQ #760: Are entities owned by a CRL entity automatically restricted?**

No. Unlike the SDN 50% Rule, entities owned or controlled by a CRL-listed entity are not automatically restricted. They must be separately named on the CRL to carry the § 515.209 prohibition. [\[FAQ #760\]](#)

## **10. Official Document Index**

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