



**Congressional
Research Service**

Informing the legislative debate since 1914

Cuba Sanctions: Legislative Restrictions Limiting the Normalization of Relations

Dianne E. Rennack

Specialist in Foreign Policy Legislation

Mark P. Sullivan

Specialist in Latin American Affairs

August 17, 2017

Congressional Research Service

7-5700

www.crs.gov

R43888

Summary

U.S. economic sanctions on Cuba date back to the early 1960s when the Cuban government under Fidel Castro began to build a repressive communist dictatorship and aligned with the Soviet Union. The trade embargo was first imposed in 1962 under the authority of the Foreign Assistance Act of 1961 and the Trading with the Enemy Act and soon broadened to include a prohibition on most financial transactions with Cuba. In 1963, the Department of the Treasury issued the Cuban Assets Control Regulations (CACR); they remain the main body of embargo regulations today, and have been amended many times over the years to reflect changes in policy. In addition, since Cuba is an embargoed country, all exports to Cuba must be authorized by the Department of Commerce as implemented through the Export Administration Regulations (EAR).

Over the years, Congress enacted additional laws that strengthened the embargo on Cuba, including the Cuban Democracy Act of 1992, the Cuban Liberty and Democratic Solidarity Act (LIBERTAD) Act of 1996 (which codified the embargo regulations), and the Trade Sanctions Reform and Export Enhancement Act of 2000. Congress also has enacted numerous other provisions of law that impose sanctions on Cuba, including restrictions on trade, foreign aid, and support from the international financial institutions.

In December 2014, President Obama announced a major shift in U.S. policy toward Cuba, moving away from the long-standing sanctions-based policy toward a policy of engagement and a normalization of relations. The shift included three major components: the rescission of Cuba's designation as a state sponsor of international terrorism in May 2015; the restoration of diplomatic relations in July 2015; and efforts to increase travel, commerce, and the flow of information to Cuba. In order to implement the third policy component, the Treasury and Commerce Departments eased the embargo regulations (CACR and EAR) five times, most recently in October 2016, in such areas as travel, remittances, trade, telecommunications, and banking and financial services.

When the President announced his policy change on Cuba, he acknowledged that he did not have authority to lift the embargo because it is codified in legislation. Moreover, the LIBERTAD Act ties the lifting of the embargo to conditions in Cuba, including that the country has a democratically elected government. Lifting the overall economic embargo would require amending or repealing the LIBERTAD Act as well as other statutes that have provisions impeding normal economic relations with Cuba.

President Trump announced his Administration's policy on Cuba on June 16, 2017, which partially rolls back some of the Obama Administration's effort to normalize relations with Cuba. Although the President leaves most Obama-era policy changes in place, two significant changes include restrictions on financial transactions with companies controlled by the Cuban military, intelligence, or security services or personnel; and the elimination of individual people-to-people travel. These changes require the Treasury and Commerce Departments to amend the CACR and EAR.

This report provides information on legislative provisions restricting relations with Cuba. It lists the various provisions of law comprising economic sanctions on Cuba, including key laws that are the statutory basis of the embargo, and provides information on the authority to lift or waive the restrictions.

For additional information, see CRS In Focus IF10045, *Cuba: U.S. Policy Overview*; CRS Report R44822, *Cuba: U.S. Policy in the 115th Congress*; and CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*.

Contents

Introduction 1

Tables

Table 1. Legislative Restrictions Limiting the Normalization of U.S.-Cuban Relations 4

Contacts

Author Contact Information 16

Introduction

Since the early 1960s, U.S. policy toward Cuba has consisted largely of isolating the island nation through comprehensive economic sanctions, including an embargo on trade and financial transactions. President John F. Kennedy proclaimed an embargo on trade between the United States and Cuba in February 1962,¹ citing Section 620(a) of the Foreign Assistance Act of 1961 (FAA), which authorizes the President “to establish and maintain a total embargo upon all trade between the United States and Cuba.”² At the same time, the Department of the Treasury issued the Cuban Import Regulations to deny the importation into the United States of all goods imported from or through Cuba.³ The authority for the embargo was later expanded in March 1962 to include the Trading with the Enemy Act (TWEA).⁴

In July 1963, the Department of the Treasury revoked the Cuban Import Regulations and replaced them with the more comprehensive Cuban Assets Control Regulations (CACR)—31 C.F.R. Part 515—under the authority of TWEA and Section 620(a) of the FAA.⁵ The CACR, which include a prohibition on most financial transactions with Cuba and a freeze of Cuban government assets in the United States, remain the main body of Cuba embargo regulations, and have been amended many times over the years to reflect changes in policy. They are administered by the Department of the Treasury’s Office of Foreign Assets Control (OFAC), and prohibit financial transactions as well as trade transactions with Cuba. The CACR also require that all exports to Cuba be licensed by the Department of Commerce, Bureau of Industry and Security, under the provisions of the Export Administration Act of 1979, as amended.⁶ The Export Administration Regulations (EAR) are found at 15 C.F.R. Sections 730-774.⁷

Congress subsequently strengthened sanctions on Cuba through provisions in such legislation as the Cuban Democracy Act of 1992 (CDA, P.L. 102-484, Title XVII), the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (P.L. 104-114), and the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA, P.L. 106-387, Title IX).

- Among its sanctions, the CDA prohibits U.S. subsidiaries from engaging in trade with Cuba. It also prohibits entry into the United States for any sea-borne vessel to load or unload freight if it has been involved in trade with Cuba within the previous 180 days, except pursuant to a Department of the Treasury license.⁸

¹ 27 *Federal Register* 1085, February 7, 1962 (Proclamation 3447, Embargo on All Trade with Cuba, February 3, 1962).

² Previously, in October 1960 under the Eisenhower Administration, exports to Cuba were placed under strict export controls under the authority of the Export Control Act of 1949 in response to the expropriation of U.S. properties. This in effect amounted to an embargo on exports of all products with the exception of certain foods, medicines, and medical supplies.

³ 27 *Federal Register* 1116, February 7, 1962.

⁴ 27 *Federal Register* 2765-2766, March 24, 1962.

⁵ 28 *Federal Register* 6974-6985, July 9, 1963.

⁶ 31 C.F.R. §515.533.

⁷ See especially 15 C.F.R. §746.2 on Cuba, which refers to other parts of the EAR.

⁸ Pursuant to an October 2016 regulatory change, the Obama Administration eased the 180-day rule by issuing a general license waiving the restriction if the items carried to Cuba would, if subject to the Export Administration Regulations, be designated as EAR 99, meaning that the items are not on the Commerce Control List. According to the Commerce Department, EAR items generally consist of low-technology consumer goods. 81 *Federal Register* 71372-71378, October 17, 2016.

- The LIBERTAD Act codified the economic embargo, including all restrictions under the CACR, although the President retains broad authority to amend the regulations. Nevertheless, as set forth in the LIBERTAD Act, the President cannot eliminate the embargo regulations without making a determination that a transition government is in power in Cuba. The LIBERTAD Act also requires the President to end the embargo if he determines that a democratically elected government is in power.
- While TSRA authorizes U.S. commercial exports to Cuba, it also includes prohibitions on U.S. government assistance and private financing and requires “payment of cash in advance” or third-country financing for the exports. The act also prohibits tourist travel to Cuba.

In addition to these key acts, there are numerous other provisions of law that impose sanctions on Cuba, including restrictions on trade, foreign aid, and support from international financial institutions.

On December 17, 2014, President Barack Obama announced major changes in policy toward Cuba, moving away from the long-standing sanctions-based policy aimed at isolating Cuba toward a policy of engagement and normalization of relations. The policy shift included three major components: (1) the rescission of Cuba’s designation as a state sponsor of international terrorism; (2) the restoration of diplomatic relations; and (3) an increase in travel, commerce, and the free flow of information to and from Cuba.

The Cuban government had been designated by the State Department as a state sponsor of international terrorism in 1982 under Section 6(j) of the Export Administration Act (P.L. 96-72; 50 U.S.C. 4605(j)), as amended, and provisions of other laws because of its alleged ties to international terrorism.⁹ As part of President Obama’s shift in Cuba policy, the State Department undertook a review of Cuba’s designation, which ultimately was rescinded on May 29, 2015.¹⁰

Diplomatic relations with Cuba had been severed by the Eisenhower Administration in January 1961 in response to the Cuban government’s demand to decrease the number of U.S. Embassy staff within 48 hours. In 1977, under the Carter Administration, the United States and Cuba agreed to establish Interests sections in each other’s capitals. With the Obama Administration’s shift in policy, the two countries conducted four rounds of talks and ultimately reestablished diplomatic relations in July 2015, with embassies reopened in Havana and Washington.

In order to implement the Obama Administration’s third component of its Cuba policy shift—increasing travel, commerce, and the flow of information—the Treasury and Commerce Departments issued five rounds of amendments to the CACR and the EAR in January and September 2015, and January, March, and October 2016.¹¹ The amendments significantly eased

⁹ The other laws are Section 620A of the Foreign Assistance Act of 1961 (P.L. 97-195; 22 U.S.C. 2371), as amended, and Section 40 of the Arms Export Control Act (P.L. 90-629; 22 U.S.C. 2780), as amended. Cuba’s designation as a state sponsor of terrorism had allowed U.S. nationals injured by an act of international terrorism to file lawsuits against Cuba in the United States for damages. For more information, see CRS Legal Sidebar WSLG254, *Can Victims of Terrorism in the United States Sue Foreign Governments?*, by Jennifer K. Elsea; and CRS Report R43835, *State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief*, by Dianne E. Rennack.

¹⁰ Subsequently, to reflect the rescission, the Department of the Treasury’s OFAC amended the CACR and the Department of Commerce’s BIS amended the EAR. 80 *Federal Register* 34053-34054, June 15, 2015; and 80 *Federal Register* 43314-43320, July 22, 2015. For more on the Administration’s justification, see CRS Report R43926, *Cuba: Issues and Actions in the 114th Congress*.

¹¹ 80 *Federal Register* 2286-2302, January 16, 2015; 80 *Federal Register* 56898-56904 and 56915-56926, September 21, 2015; 81 *Federal Register* 4580-4586, January 27, 2016; 81 *Federal Register* 13972-13974 and 13989-13994, (continued...)

the embargo in such areas as travel, remittances, trade, telecommunications, banking and financial services.

When President Obama announced the shift in Cuba policy, he acknowledged that he did not have the authority to lift the embargo, but maintained that he looked forward to engaging Congress in a debate about doing so. Without a presidential determination required by the LIBERTAD Act that Cuba has a democratically elected government in place, congressional action would be required to end the embargo by amending or repealing the LIBERTAD Act and other embargo-related statutes.¹²

In June 2017, President Trump unveiled his Administration's policy on Cuba, which rolls back some of the Obama Administration's efforts to normalize relations with Cuba. The most significant policy changes, which will take effect when the Treasury and Commerce Departments update the CACR and EAR, include (1) restrictions on financial transactions with companies controlled by the Cuban military, intelligence, or security services or personnel; and (2) the elimination of individual people-to-people travel. The new policy leaves most of the Obama-era policy changes in place, including the reestablishment of diplomatic relations and a variety of eased sanctions to increase travel and commerce with Cuba.

(...continued)

March 16, 2016; and 81 *Federal Register* 71365-71367 and 71372-71378, October 17, 2016. The Department of the Treasury's OFAC also provides information on the regulatory changes on its Cuba Sanctions web page available at <https://www.treasury.gov/resource-center/sanctions/Programs/pages/cuba.aspx>. The Commerce Department's BIS also provides information on its Cuba web page available at <https://www.bis.doc.gov/index.php/policy-guidance/country-guidance/sanctioned-destinations/cuba>.

¹² U.S. Government Accountability Office, *U.S. Embargo On Cuba: Recent Regulatory Changes and Potential Presidential or Congressional Actions*, GAO-09-0951R, September 17, 2009.

Table I. Legislative Restrictions Limiting the Normalization of U.S.-Cuban Relations

Statutory Basis	Restriction	Authority to Lift or Waive
Key Restrictions that Form the Core of the U.S. Economic Sanctions Regime on Cuba: The Embargo		
Sec. 620(a)(1), Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)(1))	<p>Prohibits foreign aid “to the present government of Cuba.”</p> <p>Authorizes the President “to establish and maintain a total embargo upon all trade between the United States and Cuba.”</p>	<p>The prohibition on aid has no waiver, though could be overridden by appropriations language that provides aid “notwithstanding any other provision of law.”</p> <p>As set forth in the law, the total embargo is a discretionary authorization.</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064), however, authorizes the President to suspend the enforcement of sec. 620(a) only if he determines “a transition government is in power in Cuba.”</p> <p>Sec. 204 of that act, furthermore, requires the President to terminate sanctions under sec. 620(a) and other measures if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Sec. 204(d)(1) of that act repeals sec. 620(a) on President making such a determination.</p>
Sec. 620(a)(2), Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)(2))	<p>Authorizes the President to prohibit foreign aid to “any government of Cuba.”</p> <p>Denies Cuba a quota for sugar trade, “or to receive any other benefit under any law of the United States....”</p>	<p>As set forth in the law, the prohibitions on aid and sugar imports are discretionary, “except as may be deemed necessary by the President in the interests of the United States.”</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064), however, authorizes the President to suspend the enforcement of sec. 620(a) only if he determines “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate sanctions under sec. 620(a) and other measures if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Sec. 204(d)(1) of that act repeals sec. 620(a) on President making such a determination.</p>

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 5(b), Trading With the Enemy Act (50 U.S.C. 4305(b))	Authorizes the President to restrict or prohibit trade, transactions, and access to assets and property.	<p>The Cuban Assets Control Regulations, 31 C.F.R. Part 515, were issued in July 1963 under the authority of TWEA. Pursuant to the law, the President may terminate the national emergency and restrictions under TWEA at any time.</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064), however, authorizes the President to suspend the enforcement of 31 C.F.R. Part 515 only if he determines that “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate the economic embargo of Cuba, including the restrictions under 31 C.F.R. Part 515 if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Nevertheless, the Secretary of the Treasury retains authority to amend regulations therein, in accordance with 31 C.F.R. Part 515. 201, which, in part, provides: “All of the following transactions are prohibited, except as specifically authorized by the Secretary of the Treasury.... ”</p>
Sec. 1704, Cuban Democracy Act of 1992 (22 U.S.C. 6003)	Authorizes the President to prohibit foreign aid under the Foreign Assistance Act of 1961, transactions under the Arms Export Control Act, or debt forgiveness, to any third country providing assistance to Cuba.	<p>As set forth in the law, the prohibitions are at the President’s discretion.</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064), however, authorizes the President to suspend the enforcement of sec. 1704 only if he determines that “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate sanctions under sec. 1704 and other measures if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Sec. 204(d)(1) of that act repeals sec. 1704 on President making such a determination.</p>

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 1705(d), Cuban Democracy Act of 1992 (22 U.S.C. 6004(d))	Requires on-site verification for the export of medicines and medical supplies (unless the recipient is a nongovernmental organization receiving donations).	<p>The President is required to determine that the U.S. government can verify the end use of such exports.</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064) authorizes the President to suspend the enforcement of sec. 1705(d) only if he determines that “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate sanctions under sec. 1705 and other measures if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Sec. 204(d)(1) of that act repeals sec. 1705(d) on President making such a determination.</p>
Sec. 1705(e)(5), Cuban Democracy Act of 1992 (22 U.S.C. 6004(e)(5))	Sec. 1705, overall, authorizes “support for the Cuban people,” including allowing telecommunications services between the United States and Cuba. Sec. 1705(e)(5), however, clarifies that this allowance does not authorize a U.S. person to invest in Cuba’s domestic telecommunications network.	No waiver.

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 1706(a), Cuban Democracy Act of 1992 (22 U.S.C. 6005(a))	Prohibits specific licenses for transactions relating to trade between Cuba and U.S.-owned or -controlled companies in third countries “in appropriate cases,” codifying requirements stated in 31 C.F.R. Part 515.559 as of July 1, 1989 (effective October 23, 1992).	<p>Sec. 1708 (22 U.S.C. 6007) provides that the President may waive if he determines that the government of Cuba (1) has held free and fair elections, (2) permits opposition parties to participate, (3) respects “basic civil liberties and human rights of the citizens of Cuba,” (4) is moving toward a free market economy, and (5) is committed to constitutional change that ensures regular free and fair elections.</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064), however, authorizes the President to suspend the enforcement of sec. 1706 only if he determines that “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate sanctions under sec. 1706 and other measures if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Sec. 204(d)(1) of that act repeals sec. 1706 on President making such a determination.</p>

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 1706(b), Cuban Democracy Act of 1992 (22 U.S.C. 6005(b))	<p>Prohibits a vessel that has entered a Cuban port or place to engage in the trade of goods or services from, within 180 days after departure from the Cuban port or place, loading or unloading freight at any place in the United States except pursuant to a license issued by the Secretary of the Treasury.</p> <p>Prohibits entry into U.S. ports by any vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has any interest, except as specifically authorized by the Secretary of the Treasury.</p> <p>Prohibits the use of a general license for ship stores for any vessel carrying goods or passengers to or from Cuba in which Cuba or a Cuban national has any interest.</p>	<p>Licenses may be issued at the discretion of the Secretary of the Treasury.</p> <p>Sec. 1708 provides that the President may waive if he determines that the government of Cuba (1) has held free and fair elections, (2) permits opposition parties to participate, (3) respects “basic civil liberties and human rights of the citizens of Cuba,” (4) is moving toward a free market economy, and (5) is committed to constitutional change that ensures regular free and fair elections.</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064), however, authorizes the President to suspend the enforcement of sec. 1706 only if he determines that “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate sanctions under sec. 1706 and other measures if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Sec. 204(d)(1) of that act repeals sec. 1706 on President making such a determination.</p>

Statutory Basis	Restriction	Authority to Lift or Waive
<p>Sec. 1706(c), Cuban Democracy Act of 1992 (22 U.S.C. 6005(c))</p>	<p>Requires the President to “establish strict limits on remittances to Cuba by United States persons for the purpose of financing the travel of Cubans to the United States.... ”</p>	<p>The term “strict limits” is undefined, so left to the discretion of the President.</p> <p>Sec. 1708 provides that the President may waive if he determines that the government of Cuba (1) has held free and fair elections, (2) permits opposition parties to participate, (3) respects “basic civil liberties and human rights of the citizens of Cuba,” (4) is moving toward a free market economy, and (5) is committed to constitutional change that ensures regular free and fair elections.</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064), however, authorizes the President to suspend the enforcement of sec. 1706 only if he determines that “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate sanctions under sec. 1706 and other measures if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Sec. 204(d)(1) of that act repeals sec. 1706 on President making such a determination.</p>
<p>Sec. 102(h), Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6032(h))</p>	<p>Codifies the economic embargo as in effect on March 1, 1996, including restrictions stated in regulations at 31 C.F.R. Part 515.</p>	<p>Within 31 C.F.R. Part 515, the Secretary of the Treasury retains authority to amend regulations therein, in accordance with 31 C.F.R. Part 515. 201, which, in part, provides: “All of the following transactions are prohibited, except as specifically authorized by the Secretary of the Treasury.... ”</p> <p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064) authorizes the President to suspend the enforcement of 31 C.F.R. Part 515 only if he determines that “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate the economic embargo of Cuba, including the restrictions under 31 C.F.R. Part 515, if he determines that “a democratically elected government in Cuba is in power.”</p>

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 103(a), Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6033(a))	Prohibits a U.S. person or entity from financing any transaction that involves confiscated property in Cuba where the claim is owned by a U.S. national.	Sec. 103(b) provides that the President may suspend if he determines a transition government is in power; he may terminate if the transition to democracy is met as stated in Secs. 203 and 204.
Sec. 104(a), Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6034(a))	Requires the Secretary of the Treasury to instruct U.S. executive directors to the international financial institutions to oppose Cuba's admission to such institution.	The President may suspend if he determines a democratically elected government is in power. The President may encourage membership, and the Secretary of the Treasury may encourage loans and assistance, when a transition government is in power, "to contribute to a stable foundation for a democratically elected government in Cuba."
Sec. 104(b), Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6034(b))	Requires the Secretary of the Treasury to withhold U.S. payment to any international financial institution in an amount equal to that institution's loan or assistance to Cuba if that loan is opposed by the United States.	The statute requires the United States to oppose Cuba's membership (in sec. 104(a)); it does not require opposing any loan or program of an international financial institution. If the United States supports a program or abstains from a vote, this requirement would be inapplicable. Only if the United States opposes a loan would proportionate withholding be required.
Sec. 111(b), Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6041(b))	Requires withholding some foreign aid to any third country in amounts equal to that country's aid to Cuba to complete its nuclear facility at Juragua.	No waiver; however the statute allows aid to continue for humanitarian needs, disaster relief, refugee relief, democracy, rule of law, private sector and NGO development, free market economy development, nonproliferation, and secondary school exchanges.
Title III, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6081-6085)	Allow U.S. nationals whose property was confiscated by the Cuban government a right of action to seek compensation in U.S. federal court from those who "traffic" in such property.	The President may suspend the right of action for successive 6-month periods if he determines that such suspension is in the U.S. national interest and will expedite Cuba's transition to democracy. The President has exercised this suspension since the law's enactment. Sec. 204 of the act also authorizes the President, once he determines that a transition government is in power, to suspend the right of action under title III to the extent that it contributes to a stable foundation for a democratically elected government in Cuba.

Statutory Basis	Restriction	Authority to Lift or Waive
Title IV, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6091)	Requires the Secretary of State and Attorney General to deny entry into the United States to any person (or family member of that person) who has confiscated property, or has been involved in a related transaction, to which a U.S. person has a claim.	Secretary of State may, case-by-case, allow entry into the United States for medical purposes or to attend to litigation actions under title III of the act (relating to protection of property rights of U.S. nationals).
Sec. 906, Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7205)	Exports of agricultural commodities, medicine, and medical supplies to Cuba require a 1-year license and 1-year contract.	No waiver.
Sec. 908, Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7207)	Prohibits U.S. aid for exports to Cuba. Limits the means by which a U.S. person may finance the sale of agricultural products to Cuba to cash in advance or third-country financing.	No waiver.
Sec. 910(b), Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7209(b))	The Secretary of the Treasury may not authorize travel-related transactions listed in paragraph (c) of Section 515.560 of title 31, Code of Federal Regulations, either by a general license or on a case-by-case basis by a specific license for travel to, from, or within Cuba for tourist activities.	No waiver.

Additional Restrictions: Foreign Aid, Trade, Terrorism, and International Financial Institutions

Sec. 307, Foreign Assistance Act of 1961 (22 U.S.C. 2227)	Withholds a proportion of U.S. contributions to the United Nations and other international programs operating in Cuba (except UNICEF and some International Atomic Energy Agency programs).	No waiver.
Sec. 498A(b), (c), Foreign Assistance Act of 1961 (22 U.S.C. 2295a)	Prohibits some foreign aid to any government of an independent state of the former Soviet Union that the President determines is providing assistance for, or engaging in nonmarket trade with, the Cuban government.	President may waive if he determines that (1) "it is important to the national interest of the United States" to do so; (2) aid will foster respect for internationally recognized human rights, rule of law, development of democratic governance institutions; (3) aid alleviates results of a disaster; (4) aid is for secondary school programs run by the U.S. Information Agency (USIA).
Sec. 498A(d), Foreign Assistance Act of 1961 (22 U.S.C. 2295a)	Reduces aid to any government of an independent state of the former Soviet Union in proportion with that country's aid to Cuba's intelligence facilities.	President may waive if he determines that it is important to U.S. national security. In the case of Russia, must further determine Russia is not sharing intelligence data with the Cuban government.

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 620(f), Foreign Assistance Act of 1961 (22U.S.C. 2370(f))	Prohibits foreign aid to any Communist country, explicitly naming Cuba.	President may waive if he finds it is vital to the security of the United States, the recipient is not controlled by the “international Communist conspiracy,” and aid will promote the independence of the recipient. President may also remove Cuba from the stated list of communist countries for any period of time if he finds it important to U.S. national interests to do so.
Sec. 620(y), Foreign Assistance Act of 1961 (22U.S.C. 2370(y))	Prohibits foreign aid to a third country in amounts equal to that country’s providing nuclear fuel and related assistance to Cuba the previous fiscal year.	Prohibition is lifted when Cuba signs and complies with the Treaty on the Non-proliferation of Nuclear Weapons and the Treaty of Tlatelelco, negotiates full-scope safeguards, and is found in compliance with the treaties.
Sec. 2(b)(2), Export-Import Bank Act of 1945 (12 U.S.C. 635(2)(b)(2))	Prohibits Ex-Im Bank funding for Marxist-Leninist states, explicitly naming Cuba.	President may determine Cuba has ceased to be a Marxist-Leninist country. President may determine that a specific transaction, or a transaction of a certain kind, is in the national interest.
Sec. 7007, 7015(f), Department of State, Foreign Operations, and Related Programs Appropriations Act, 2017 (Division J, P.L. 115-31)	Sec. 7007: Prohibits direct funding to Cuba. Sec. 7015(f): prohibits aid to Cuba without regular notification procedures of the Committees on Appropriations.	No waivers. The two sections apply only to the current fiscal year.
Sec. 12, International Development Association Act (22 U.S.C. 284j) Sec. 21, Inter-American Development Bank Act (22 U.S.C. 283r)	Requires the President to instruct U.S. executive directors to the relevant international financial institution to oppose loans to any state that has nationalized, expropriated, or seized property owned by a U.S. citizen; canceled contracts with a U.S. citizen; imposed discriminatory taxes that have the result of property seizure.	The President may determine that (1) arrangements for compensation have been made; (2) the issue has been submitted to arbitration; or (3) good faith negotiations are underway.
Sec. 6, Bretton Woods Agreements Act Amendments, 1978 (22 U.S.C. 286e-11)	Requires the Secretary of the Treasury to instruct U.S. executive directors to the International Monetary Fund “to work in opposition to” loans to any state that permits entry to any person who has committed an act of international terrorism, including nay act of aircraft hijacking, or otherwise supports, encourages, or harbors such person.	No waiver.

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 401, Tariff Classification Act of 1962 (19 U.S.C. 1351 note)	<p>Requires Cuba to be treated as a nation “dominated or controlled by the foreign government or foreign organization controlling the world Communist movement,” resulting in denying articles that are “the growth, produce, or manufacture of Cuba” favorable trade terms.</p> <p>The U.S. Harmonized Tariff Schedule (HTS) designates Cuba in the most restricted trade category (“Column 2”) pursuant to this provision and other trade laws as follows:</p> <p>“b) Rate of Duty Column 2. Notwithstanding any of the foregoing provisions of this note, the rates of duty shown in column 2 shall apply to products, whether imported directly or indirectly, of the following countries and areas pursuant to section 401 of the Tariff Classification Act of 1962, to section 231 or 257(e)(2) of the Trade Expansion Act of 1962, to section 404(a) of the Trade Act of 1974 or to any other applicable section of law, or to action taken by the President thereunder: Cuba, North Korea.”</p>	<p>The restrictions ceases to apply “on or after the date on which the President proclaims that he has determined that Cuba is no longer dominated or controlled” by such a foreign power.</p>
Sec. 401, Trade Act of 1974 (19 U.S.C. 2431)	<p>Continues to deny nondiscriminatory trade treatment for countries that were so denied prior to enactment of this title.</p>	<p>The President may temporarily waive or lift by entering into a bilateral commercial agreement (sec. 405; 19 U.S.C. 2435), and may temporarily extend nondiscriminatory terms (sec. 404; 19 U.S.C. 2434).</p> <p>Granting permanent nondiscriminatory trade treatment (Normal Trade Relations, or NTR), however, requires an act of Congress (sec. 151; 19 U.S.C. 2191).</p>

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 402, Trade Act of 1974 (Jackson-Vanik Amendment; 19 U.S.C. 2432)	Continues to deny nondiscriminatory trade treatment for countries that were so denied prior to enactment of this title, including countries under sec. 401, communist countries, or non-market economies (as defined in the Senate report accompanying H.R. 10710, 93 rd Congress, enacted as the Trade Act of 1974).	<p>President may suspend temporarily, and may renew the suspension semiannually (by June 30 and December 31) if he determines and notifies Congress that the government of Cuba does not (1) deny its citizens the right or opportunity to emigrate; (2) impose more than a nominal tax on emigration and documents required to emigrate or travel; or (3) impose more than a nominal tax on a citizen as a result of that citizen's desire to emigrate.</p> <p>President may suspend temporarily, with annual renewal, by issuing an executive order stating that (1) waiving will promote the objectives of Jackson-Vanik; and (2) "he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievements of the objectives of the section."</p> <p>Congress may block the President's initial determinations (sec. 152; 19 U.S.C. 2192), or extension of waiver (sec. 153; 19 U.S.C. 2193).</p> <p>Granting permanent nondiscriminatory trade treatment however, requires an act of Congress (sec. 151; 19 U.S.C. 2191). Removal of Jackson-Vanik restrictions, however, does not require NTR status (the President may exercise the above-described waiver authority).</p>
Sec. 502(b), Trade Act of 1974 (19 U.S.C. 2462(b))	A country is denied "beneficiary developing country" status under the Generalized System of Preferences if it is a Communist country, and if it has expropriated property of a U.S. citizen.	President may waive if he finds it in the national economic interest of the United States to do so.

Statutory Basis	Restriction	Authority to Lift or Waive
<p>Sec. 212, Caribbean Basin Economic Recovery Act (19 U.S.C. 2702)</p>	<p>Cuba is not eligible for CBERA benefits because it is not listed in sec. 212(b). In addition, a country is denied “beneficiary country” status under the CBERA if it is a Communist country; has nationalized, expropriated, or seized property owned by a U.S. citizen; canceled contracts with a U.S. citizen; imposed discriminatory taxes that have the result of property seizure; fails to recognize certain arbitral awards in favor of a U.S. citizen, corporation, partnership, or corporation; affords preferential treatment to products of a developed country other than the United States (unless there is no significant adverse effect on U.S. commerce); if a government-owned entity engages in the broadcast of U.S.-owned copyrighted material without express consent; is not a signatory to an agreement regarding the extradition of U.S. citizens; and has not or is not taking steps to afford internationally recognized worker rights.</p>	<p>Congress would have to amend sec. 212(b) to add Cuba to the list of countries eligible for CBERA designation. Once listed, the President could designate Cuba as beneficiary country, despite other restrictions, if he finds it in the national economic interest of the United States to do so, except if the country affords preferential treatment to products of a developed country other than the United States (unless there is no significant adverse effect on U.S. commerce), and is a signatory to an agreement regarding the extradition of U.S. citizens.</p>
<p>Sec. 902(c), Food Security Act of 1985 (P.L. 99-198)</p>	<p>Denies a sugar import quota to Cuba or third countries trading in Cuba-origin sugar.</p>	<p>Sec. 204, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act (22 U.S.C. 6064) authorizes the President to suspend the enforcement of sec. 902 if he determines “a transition government is in power in Cuba.”</p> <p>Sec. 204, furthermore, requires the President to terminate sanctions under sec. 902 and other measures if he determines that “a democratically elected government in Cuba is in power.”</p> <p>Sec. 204(d)(1) of that act repeals sec. 902 on President making such a determination.</p>

Statutory Basis	Restriction	Authority to Lift or Waive
Sec. 211, Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Division A, Title II, P.L. 105-277)	Prohibits a transaction or payment with respect to a mark, trade, name or commercial name that is the same as or substantially similar to a mark, trade name, or commercial name used in connection with a business or assets that were confiscated. Prohibits U.S. courts from considering or enforcing trademark claims of a Cuba national, or their successor in interest, regarding property confiscated by the Cuban government.	No waiver.

Author Contact Information

Dianne E. Rennack
Specialist in Foreign Policy Legislation
drennack@crs.loc.gov, 7-7608

Mark P. Sullivan
Specialist in Latin American Affairs
msullivan@crs.loc.gov, 7-7689