

U.S.-Cuba Trade and Economic Council, Inc.

New York, New York

Telephone (917) 453-6726 • E-mail: council@cubatrade.org

Internet: <http://www.cubatrade.org> • Twitter: @CubaCouncil

Facebook: www.facebook.com/uscubatradeandeconomiccouncil

LinkedIn: www.linkedin.com/company/u-s--cuba-trade-and-economic-council-inc-

FACT SHEET: U.S. Department of State Section 515.582 List

Fact Sheet

Bureau of Economic and Business Affairs

April 22, 2016

Goods and Services Eligible for Importation

In accordance with the Cuba policy changes announced by the President on December 17, 2014, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) and the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) have made five sets of amendments to their respective Cuba sanctions regulations. OFAC introduced a provision in January, 2015 authorizing the importation of certain goods and services produced by independent Cuban entrepreneurs. This provision is set forth in OFAC's Cuban Assets Control Regulations (CACR) at 31 C.F.R. § 515.582.

The goods and services authorized for importation pursuant to § 515.582 are set forth on the State Department's Section 515.582 list. The list and associated documents can be found at: <http://www.state.gov/e/eb/tfs/spi/cuba/515582/index.htm>.

This provision is just one of several in the revised Cuba sanctions regulations that are designed to increase the flow of information and resources to Cuba's nascent private sector. For more information about these changes, please see the BIS (<http://www.bis.doc.gov/index.php/policy-guidance/country-guidance/sanctioned-destinations/cuba>) and OFAC (<https://www.treasury.gov/cuba>) webpages. The Administration believes that allowing increased travel, commerce, and the flow of information to and from Cuba will allow the United States to better advance our interests and improve the lives of ordinary Cubans.

Q: Which goods and services are eligible for importation under this regulation?

A: The State Department's Section 515.582 list authorizes the importation of all goods produced by independent Cuban entrepreneurs, as demonstrated by documentary evidence, except for goods in certain listed sections and chapters of the Harmonized Tariff Schedule (HTS) of the United States, and subject to compliance with all other relevant requirements under state and federal law and regulations. Services supplied by independent Cuban entrepreneurs are also eligible for import unless they fall within one of the listed exceptions on the State Department's Section 515.582 list, and subject to compliance with other requirements in state and federal law and regulations.

Exporters may also require documentation that their products meet all required standards for safety, including sanitary and phytosanitary requirements.

Q: Will the Cuban government allow independent entrepreneurs to export to the United States?

A: We cannot predict what the Cuban government will or will not allow, but we hope that it makes this and other new opportunities available to Cuba's nascent private sector. This is another measure intended to support the ability of the Cuban people to gain greater control over their own lives and determine their country's future.

Q: What are some examples of independent Cuban entrepreneurs?

A: Cuba's nascent private sector includes self-employed individuals, private small businesses, and private cooperatives that are independent of Cuba's state sector. Those importing goods or services authorized by § 515.582 must obtain documentary evidence that demonstrates the entrepreneur's independent status, such as a copy of a license to be self-employed issued by the Cuban government or, in the case of an entity, evidence that demonstrates that the entrepreneur is a private entity that is not owned or controlled in whole or in part by the Cuban government.

Q: Do Cuban entrepreneurs require a license from the Cuban government?

A: Persons subject to U.S. jurisdiction importing goods are required to obtain evidence that demonstrates the Cuban entrepreneur's independent status, and, in the case of an entity, that the entity is private (i.e., not owned or controlled in whole or in part by the Cuban government). The Cuban government issues licenses to private individuals for self-employment or to operate small private businesses. Evidence that the entrepreneur holds this license, such as a copy of the license, is one way that a person subject to U.S. jurisdiction can show that the entrepreneur that provided the goods/services intended for importation holds independent status. However, third party verification by an independent organization may also suffice in the future.

Q: Will authorized imports of goods undertaken pursuant to this regulation be subject to tariffs?

A: Yes, authorized goods are subject to applicable duties, taxes, and fees. For travelers importing authorized goods into the United States pursuant to § 515.582 as accompanied baggage, the \$400 monetary limit set forth in § 515.560(c)(3) of the CACR does not apply to such goods. If goods are for personal use, certain personal exemptions from U.S. Customs and Border Protection may apply.

Q: Do existing personal duty exemptions apply to Cuban goods coming into the United States from Cuba? If so, when?

A: Yes, standard personal duty exemptions apply when goods are accompanied by the traveler and are for personal use. For example, a U.S. Customs and Border Protection (CBP) standard personal exemption of up to \$800 could include \$400 of Cuban goods under the OFAC authorization for the importation of merchandise as accompanied baggage (§ 515.560(c)(3) of the CACR) and another \$400 under the OFAC authorization for the importation of certain goods produced by independent Cuban entrepreneurs (§ 515.582 of the CACR). Personal duty exemptions do not apply to commercial imports. To learn more, please visit the CBP webpage at: https://help.cbp.gov/app/answers/detail/a_id/246/~~/duty--free-exemption.

Q: Where can I find out which tariffs will apply on goods coming into the United States from Cuba?

A: Goods that fall outside of the personal duty exemptions will be subject to tariffs. For a searchable database of tariff rates associated with a particular product, please see the U.S. Harmonized Tariff Schedule: http://dataweb.usitc.gov/scripts/tariff_current.asp.

Q: How often will the State Department update this list?

A: The Department of State, in consultation with other federal agencies, updates this list periodically. Updates take effect when published on the webpage of the Bureau of Economic and Business Affairs' Office of Economic Sanctions Policy and Implementation (<http://www.state.gov/e/eb/tfs/spi>). Updates are also published to the Federal Register.

Q: When was this list last updated by the State Department?

A: The most recent update to this list was made on April 22, 2016. This update will also be published to the Federal Register.

Q: What did the update on April 22, 2016 include?

A: This update made the following categories of goods eligible for import through their removal from the exclusionary list: coffee (HTS 0901) and additional textiles and textile articles (Section XI, Chapters 51 and 52). Also, imports of these items no longer need to be made directly from Cuba.

Q: Where can I find more information?

A: For further information on this list, please consult the webpage of the Bureau of Economic and Business Affairs' Office of Economic Sanctions Policy and Implementation (<http://www.state.gov/e/eb/tfs/spi>), or contact the State Department at 202-647-7489. For regulatory questions, please consult the Office of Foreign Assets Control's Cuba sanctions webpage (<http://www.treasury.gov/cuba>)