

ClientAlert

International Trade

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US State Department Issues Section 515.582 List Regarding Authorization of Imports of Certain Goods and Services Produced by Independent Cuban Entrepreneurs

On February 13, 2015, the US Department of State published its "Section 515.582 List" and related guidance regarding the goods and services produced by independent Cuban entrepreneurs which have been authorized for immediate importation from Cuba by persons subject to US jurisdiction, as authorized by the amended Cuban Assets Control Regulations (CACR).¹ The US Department of the Treasury's Office of Foreign Assets Control (OFAC) added Section 515.582 to the CACR on January 16, 2015, in accordance with the policy changes announced by President Obama on December 17, 2014, to liberalize US sanctions and export controls targeting Cuba.² The new Section 515.582 List is in effect a negative list. Items on it may not be imported. Goods and services not on the list are authorized for import from independent Cuban entrepreneurs, provided all other conditions are satisfied.

I. Goods and Services Eligible for Importation

Under Section 515.582, persons subject to US jurisdiction are authorized to engage in all transactions, including payments, necessary to import goods and services produced by independent Cuban entrepreneurs as determined by the Department of State and set forth on the Section 515.582 List, effective immediately. The Section 515.582 List references sections and chapters of the Harmonized Tariff Schedule (HTS) of the United States to indicate categories of goods that are not eligible for import into the United States under Section 515.582, even if such goods were produced by independent Cuban entrepreneurs. Any goods produced by independent Cuban entrepreneurs which are not covered by the following sections and chapters of the HTS may be imported, subject to compliance with all other relevant requirements under state and federal law and regulations.

Items following under the following HTS Sections may not be imported under Section 515.582:

- Section I: Live Animals; Animal Products (all chapters)
- Section II: Vegetable Products (all chapters)



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¹ The Department of State's Section 515.582 List is available at <http://www.state.gov/e/eb/tfs/spi/>.

² For further information about these changes, please see our previous client alert, available [here](#).

- Section III: Animal or Vegetable Fats and Oils and their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes (all chapters)
- Section IV: Prepared Foodstuffs; Beverages, Spirits, and Vinegar; Tobacco and Manufactured Tobacco Substitutes (all chapters)
- Section V: Mineral Products (all chapters)
- Section VI: Products of the Chemical or Allied Industries (Chapters 28 – 32; 35 – 36, 38)
- Section XI: Textile and Textile Articles (Chapters 51 – 52)
- Section XV: Base Metals and Articles of Base Metal (Chapters 72 – 81)
- Section XVI: Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles (all chapters)
- Section XVII: Vehicles, Aircraft, Vessels, and Associated Transportation Equipment (all chapters)
- Section XIX: Arms and Ammunition; Parts and Accessories Thereof (all chapters)

Authorized services are services supplied by an independent Cuban entrepreneur in Cuba, as demonstrated by documentary evidence. The Section 515.582 List may be updated periodically, and such updates will take effect when published online. Updates will also be published in the Federal Register.

II. Required Documentation

Persons subject to US jurisdiction engaging in transactions involving services provided or imported goods produced by an independent Cuban entrepreneur pursuant to Section 515.582 must obtain documentary evidence that demonstrates the entrepreneur's independent status. In the case of an entity, such evidence must demonstrate that the entrepreneur is a private entity that is not owned or controlled, in whole or in part, by the Cuban government. In the case of an individual entrepreneur, such evidence can include a copy of a license to be self-employed issued by the Cuban government. The Department of State has advised importers to reference Section 515.582 when making payments in settlement of transactions authorized under the section in order to avoid having such transactions rejected.

III. Duties, Taxes, and Fees

Authorized imports of goods undertaken pursuant to Section 515.582 will be subject to applicable duties, taxes and fees. For travelers importing authorized goods into the United States pursuant to Section 515.582 as accompanied baggage, the US\$400 monetary limit set forth in Section 515.560(c)(3) of the CACR does not apply to such goods. If the imported goods are for personal use and are accompanied by the traveler, standard personal duty exemptions will apply.

The Section 515.582 authorization modifies in part and with significant limitations the long-standing prohibition on importing from Cuba into the United States. US importers and transactional parties must ensure the permissible goods or services are provided by independent Cuban entrepreneurs. The burden of satisfying the criteria set forth by the State Department is on the parties availing themselves of the authorization. Even inadvertent violations are subject to severe penalties for non-compliance despite the general policy of reducing the sanctions on Cuba. Parties doing business or wishing to do business with Cuba should closely monitor the Section 515.582 List and guidance to fully understand the scope of the new import authorization, as well as the documentary and other compliance criteria.

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