

U.S. and Cuba Reestablish Diplomatic Relations

On July 1, President Obama announced that the United States and Cuba had reached agreement on the reestablishment of diplomatic relations and that the two countries would soon reopen embassies in each other's capitals for the first time since 1961, possibly as early as late July. This much anticipated announcement follows earlier moves by the Obama administration to loosen certain travel restrictions and to remove Cuba from the list of state sponsors of terrorism.

Despite continued progress toward the normalization of relations, entities interested in doing business in Cuba should understand that the U.S. trade embargo of Cuba remains largely intact. With some very narrow exceptions, it is still generally prohibited for U.S. persons to engage in transactions involving Cuba (see Cozen O'Connor Alert, U.S. Announces Major Policy Shift on Cuba, December 18, 2014).

Moreover, there is likely little more that the president can do to further ease these restrictions. Many of the economic and trade sanctions against Cuba are statutory and will require Congressional action before they can be further revised. As the United States is in the early stages of an election cycle to determine the next president, Cuba relations are sure to surface as a campaign issue meaning that substantive action by Congress is unlikely in the near term.

Should you have any questions regarding United States policy with regards to Cuba or other sanctions programs, please do not hesitate to contact a member of Cozen O'Connor's Transportation & Logistics Department.



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