



McBreen & Kopko

10/20/2016

Aviation Group Client Update

Shelley A. Ewalt, Partner | sewalt@mklawny.com | +1 703 399 6078

BUREAU OF INDUSTRY AND SECURITY, COMMERCE ISSUES FINAL RULE ON REVISIONS TO LICENSE EXCEPTIONS AS IT PERTAINS TO CUBA

On October 17, 2016, the Bureau of Industry and Security (BIS), Commerce issued a final rule on [Revisions to License exceptions pertaining to Cuba](#). This amendment became effective on that same date.

Background. On December 17, 2014, the President announced a new approach in U.S. policy toward Cuba, increasing engagement and commerce benefits to the American and Cuban people. In furtherance of that policy, and in coordination with the Department of the Treasury's Office of Foreign Assets Control (OFAC), BIS published five rules amending the Export Administration Regulation (EAR) between January 16, 2015, and March 16, 2016 that collectively established License Exception Support for the Cuban People (SCP) and revised existing license exceptions and licensing policy in the EAR for Cuba.

Purpose. This rule describes the limits that apply to the transiting cargo and continues to apply the other limits of License Exception AVS (that the cargo must not be transferred to another vessel and must leave with the same vessel when it departs) to aircraft as well as vessels without any substantive change. This rule also makes exports or re-exports of eligible items sold directly to eligible individuals in Cuba for their personal use or their immediate family's personal use eligible for License Exception SCP. It also facilitates direct sales to individuals in Cuba by online retailers and others that sell eligible consumer products directly to end users. Under this rule, certain Cuban Government and Cuban communist party officials, such as members of the Council of Ministers, flag officers of the Revolutionary Armed Forces, and members of the Politburo are exempt from the provisions of three license exceptions: individual gift parcels, consumer communications devices, and software and commodities that will be used by the private sector or by individuals to improve the free flow of communications or support certain private sector activities in Cuba.

If you have any questions or would like further information, please contact Shelley Ewalt.

McBreen & Kopko's Aviation Group represents air carriers, fixed base operators (FBOs), airport managers, aviation service providers, and business aircraft owners and operators on a wide range of aviation issues including regulatory matters, commercial transactions, aircraft finance matters, and bankruptcy and creditors' rights.