

# CLIENT ALERT

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## Bracing for the Next & Final Round

*We are bracing for what may be the last round of executive orders by President Obama to further ease travel and trade restrictions relating to Cuba and in the process help make his Cuba normalization offensive culminate in irreversible outcomes.*



As we predicted, the month of March was loaded with announcements making important changes to U.S. regulations that will make it easier for U.S. companies to do business in Cuba while also empowering the growing Cuban private sector. Barriers to trade and travel, specifically in agriculture, health, tourism, environmental, and in IT were specifically targeted.

During the March “blitz”: The European Union signed an agreement to remove their version of an embargo called “the Common Position” freeing Europeans to aggressively pursue business opportunities in Cuba; Americans are allowed to trade in dollars with state-owned companies which are controlled by the military; a U.S. company is given special approval to start a factory; Starwood announces three hotel deals making it the first U.S. hospitality company to enter the market since the revolution; and Carnival Cruise Line announces that it will start sailing from the U.S. to Cuba on May 1st. Taken together these announcements can have a powerful cumulative effect.

However the reality is that all these changes have not been enough to breach the stronghold of the U.S. embargo laws and restrictions which limit trade and investment by Americans, or convince the Cubans to change their existing economic model; so more is needed.

The reality is that President Obama is approaching the end of his time in office and his administration will soon be facing significant personnel changes, so he may only have one more shot at finishing strong and leaving as much of a legacy as he can. We are bracing for him to sign a bold executive order on Cuba policy without Congress by the end of December. We just don't know what it will contain.