

# Trump Administration Significantly Expands Cuba Sanctions

May 18, 2026

On May 1, 2026, President Trump issued Executive Order 14404, “Imposing Sanctions on Those Responsible for Repression in Cuba and for Threats to United States National Security and Foreign Policy” (the “Executive Order”).<sup>1</sup> The Executive Order introduces a list-based sanctions program under the International Emergency Economic Powers Act (“IEEPA”) to operate alongside the longstanding Cuban Assets Control Regulations (“CACR”) and, notably, extends so-called “secondary sanctions” risk to all non-U.S. persons, including foreign financial institutions (“FFIs”), that provide material assistance to, or goods or services to or in support of, the government of Cuba or any person blocked pursuant to the Executive Order.

On May 7, 2026, the U.S. State Department used its authority under the Executive Order to sanction three persons, including Grupo de Administración Empresarial S.A. (“GAESA”), the Cuban military-run conglomerate that *The New York Times* estimates controls between 40 and 70 percent of the Cuban economy.<sup>2</sup> In taking this action, the State Department also forewarned: “Additional designations can be expected in the following days and weeks.”<sup>3</sup> On the same day, the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) issued a General License and published several Frequently Asked Questions (“FAQs”) that provide further context to the U.S. government’s actions.<sup>4</sup>

As discussed below, these actions reflect a coordinated effort by the Trump administration to expand the already comprehensive U.S. sanctions framework against Cuba.

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<sup>1</sup> Executive Order 14404, available [here](#).

<sup>2</sup> Maria Abi-Habib and Lazaro Gamio, *The New York Times*, “The Secretive Conglomerate That Controls Cuba’s Economy” (May 16, 2026).

<sup>3</sup> U.S. Dep’t of State, “U.S. Sanctions Target Cuba’s Military Regime, Elites” (May 7, 2026), available [here](#).

<sup>4</sup> OFAC, Frequently Asked Questions 1251–1256 (May 7, 2026), available [here](#).

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## BACKGROUND

The CACR, administered by OFAC pursuant to the Trading with the Enemy Act (“TWEA”), broadly prohibits persons “subject to U.S. jurisdiction”—a term that includes U.S. persons and non-U.S. companies owned or controlled by U.S. persons—from engaging in transactions with Cuba or in which a Cuban national has an interest.

During his first term, President Trump restricted travel, remittances and commercial dealings with Cuba, reversing many of President Obama’s relaxations of Cuba sanctions. In his second term, President Trump has moved to intensify pressure on Cuba. For example, on January 31, 2025, the State Department reinstated the Cuba Restricted List, which identifies entities associated with the Cuban military, intelligence and security services with which direct financial transactions by persons subject to U.S. jurisdiction are generally prohibited.

More recently, on January 29, 2026, President Trump signed Executive Order 14380, “Addressing Threats to the United States by the Government of Cuba,” which declared a national emergency with respect to Cuba and purported to authorize the imposition of new tariffs on countries that provide oil to Cuba. This month’s Executive Order 14404 takes additional steps with respect to that previously declared national emergency.

## EXECUTIVE ORDER 14404

Executive Order 14404 establishes a new, IEEPA-based sanctions program that expands the tools available to the U.S. government to target non-U.S. persons, including FFIs, that support or transact with persons designated under the Executive Order.

**Blocking Sanctions.** The Executive Order authorizes the State and Treasury Departments, in consultation with each other, to impose blocking sanctions on any foreign person determined to meet one or more of the following criteria:

- operating or having operated in certain sectors of the Cuban economy, including the energy, defense and related materiel, metals and mining, financial services and security sectors;
- being owned, controlled or directed by, or acting on behalf of, the Cuban government or any person blocked pursuant to the Executive Order, or owning or controlling any such blocked person;
- serving or having served as a leader, official, senior executive officer or board member of the Cuban government or a blocked entity;

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- being a political subdivision, agency or instrumentality of the Cuban government;
  - being responsible for or complicit in serious human rights abuse in, or corruption related to, Cuba; or
  - being an adult family member of a person designated pursuant to the Executive Order.

Section 2 of the Executive Order provides that “U.S. persons”—meaning U.S. citizens and companies—may not conduct business with persons designated for sanctions under the Executive Order and must freeze assets coming into their possession or control that belong to those sanctioned persons.

**Secondary Sanctions.** The Executive Order also threatens “secondary sanctions” against non-U.S. entities. Specifically, the Executive Order authorizes the State and Treasury Departments to impose blocking sanctions against any party determined to have “materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the Government of Cuba” or any person blocked pursuant to the Executive Order.

Further, the Executive Order authorizes the Treasury Department to impose sanctions on any FFI determined to have conducted or facilitated any “significant transaction or transactions” for or on behalf of any person blocked pursuant to the Executive Order. The Treasury Department may prohibit or restrict these institutions from opening or maintaining U.S. correspondent or payable-through accounts or, in more serious cases, block the institution itself.

## INITIAL DESIGNATIONS

On May 7, 2026, Secretary of State Marco Rubio issued a press statement designating three persons pursuant to Executive Order 14404:

- GAESA was designated for operating in the financial services sector of the Cuban economy. GAESA was previously blocked pursuant to the CACR and added to the Cuba Restricted List in December 2020; accordingly, the main importance of the new action is the threat of secondary sanctions to non-U.S. firms for dealing with GAESA or entities that it owns, which, under OFAC’s so-called “50% rule,” also become subject to sanctions to the same extent as GAESA.
- Ania Guillermina Lastres Morera, the Executive President of GAESA, was designated for her leadership role in GAESA.

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- Moa Nickel S.A. (“MNSA”) was designated for operating in the metals and mining sector of the Cuban economy. MNSA is a joint venture between Sherritt International Corporation and the Cuban state-owned La Compañía General de Níquel which, according to the statement, has “exploited Cuba’s natural resources to benefit the regime at the expense of the Cuban people.”

### OFAC GENERAL LICENSE AND FAQs

Simultaneous with the new designations, OFAC issued General License 1 under the Executive Order, which authorizes transactions that would otherwise be prohibited under the Executive Order to the extent such transactions are authorized or exempt under the CACR. The general license is intended to ensure that activity authorized under the CACR is not interrupted where an entity, like GAESA, that is already blocked under the CACR is also blocked pursuant to the Executive Order.<sup>5</sup>

OFAC also published several FAQs providing guidance on the new sanctions program. Key points from the FAQs include the following:

- **Sector identification does not equal automatic designation.** The Executive Order’s identification of sectors of the Cuban economy exposes foreign persons operating in those sectors to sanctions risk but does not automatically impose sanctions on all operating in those sectors. Only foreign persons specifically identified pursuant to the Executive Order are subject to sanctions thereunder.<sup>6</sup>
- **The CACR and Executive Order 14404 are separate authorities and function in parallel.** Persons blocked or otherwise identified pursuant to the CACR are not automatically blocked pursuant to the Executive Order; persons sanctioned under the CACR are only subject to sanctions under the Executive Order if separately determined to meet the Executive Order’s designation criteria. All existing prohibitions and authorizations pursuant to the CACR remain in effect, and general licenses under the CACR apply to the new sanctions program as well.<sup>7</sup>
- **Wind-down period for GAESA.** OFAC states that the U.S. government does not intend to target foreign persons, including FFIs, for “engaging in transactions ordinarily incident and necessary to the wind down of transactions involving GAESA,” or any entity in which GAESA owns a 50% or greater interest, through

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<sup>5</sup> See OFAC, Frequently Asked Question 1253 (May 7, 2026), available [here](#).

<sup>6</sup> See OFAC, Frequently Asked Question 1256 (May 7, 2026), available [here](#).

<sup>7</sup> See OFAC, Frequently Asked Questions 1251 and 1255 (May 7, 2026), available [here](#).

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June 5, 2026. Foreign persons unable to wind down their activities by this deadline are advised to contact the OFAC Compliance Hotline.<sup>8</sup>

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Please do not hesitate to contact us with any questions.



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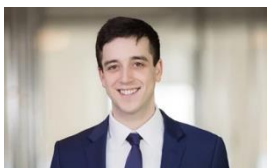
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<sup>8</sup> See OFAC, Frequently Asked Question 1254 (May 7, 2026), available [here](#).