



Global Trade Advisory Alert

US names Cuba a state sponsor of terrorism

On 11 January 2021, the Trump Administration re-designated Cuba as a state sponsor of terrorism (“SST”). Cuba had that designation removed in 2015 by the Obama Administration. The list to which Cuba is being re-added also includes Syria, Iran, and North Korea. To date, there has been no indication as to the Biden Administration’s response to this action.

Countries designated as state sponsors of terrorism by the US Department of State have been determined by the Secretary of State to have repeatedly provided support for acts of international terrorism. Countries receive this designation pursuant to three laws, namely the:

- Export Administration Act;
- Arms Export Control Act; and
- Foreign Assistance Act.

Once designated, countries from this list are subject to four main categories of sanctions. These include:

- Restrictions on US foreign assistance;
- A ban on defense exports and sales;
- Certain controls over exports of dual use items; and
- Miscellaneous financial and other restrictions.

Cuba’s SST designation may lead to increased scrutiny for US listed companies engaging with Cuban companies. For instance, if deals have not been previously disclosed in a company’s regular filings, then the Security and Exchange Commission’s Office of Global Security Risk may

request information from US listed companies regarding Cuba transactions.

How we can help

Deloitte's Global Trade Advisory specialists are part of a global network of professionals who can provide specialized assistance to companies in global trade matters. Our professionals can help companies seeking to manage the impacts and potential impacts of the developments described above by:

- Reviewing export compliance management strategies to adapt to the change;
- Helping companies understand the potential impact on their current operations and update trade processes and automation solutions in accordance with the change; and
- Providing targeted end-user and third-party due diligence to help companies maintain compliance with end-user and end-use export controls, sanctions, and other regulatory requirements.

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