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U.S. Tightens Cuba Sanctions With New Banking and Travel Restrictions

The new rules reverse Biden-era openings for private entrepreneurs and block some Cuba-related payments through U.S. banks.

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The United States has tightened sanctions on Cuba, adding new banking and travel restrictions that cut back openings created during the Biden administration for the island's private sector.

The changes took effect Wednesday after the Treasury Department's Office of Foreign Assets Control, or OFAC, published amendments to the Cuban Assets Control Regulations. The Treasury Department said the rules carry out parts of President Donald Trump's Cuba policy and regulations tied to a May 1 executive order aimed at people and entities that Washington says are involved in repression in Cuba or pose threats to U.S. national security and foreign policy.

One of the most important changes affects Cuban private entrepreneurs who had been allowed under a 2024 policy to remotely use U.S. bank accounts, even while they were in Cuba. Treasury had said at the time that the measure was meant to help independent businesses on the island by expanding access to financial services and making authorized payments and remittances easier.

Under the new rules, U.S. financial institutions can no longer open or keep those accounts under that authorization. OFAC said existing funds in such accounts must be blocked and reported unless another legal authorization applies.

The practical effect may be uneven, at least at first. Oniel Díaz Castellanos, founder of the Cuban consulting firm Auge, said relatively few private entrepreneurs had been able to benefit from the earlier measure because many U.S. banks were still reluctant to work with Cuban businesses given sanctions compliance risks. Even so, the reversal removes one of the few channels that had been designed to help the island's small private companies operate with greater access to international finance.

The administration also ended authorization for certain so-called U-turn transactions involving Cuba. Those transactions had allowed some payments that began and ended outside the United States to pass through U.S. banks. OFAC said U.S. banks are no longer allowed to process qualifying Cuba-related U-turn transactions and may instead reject them.

That policy has shifted more than once. The first Trump administration ended U-turn transactions in 2019. The Biden administration restored them in May 2024. The new action reverses that step again.

The Treasury action also narrows travel rules for Americans going to Cuba. OFAC removed the general authorization for group people-to-people educational travel, a category that had long been used for organized visits to the island. It also tightened other education-related travel permissions. Certain academic programs connected to accredited U.S. institutions are still allowed, but only under specific conditions.

In another change, OFAC removed a general authorization that had permitted attendance at, or organization of, some professional meetings and conferences in Cuba. That is likely to reduce room for business networking and industry events involving U.S. participants, including those linked to tourism, hospitality and food service.

The rules could have a broader commercial effect beyond banking. Cuba's private restaurants, guesthouses, bars and other tourism-related businesses often depend on complex payment and supply arrangements to obtain imported goods. With fewer legal financial channels and tighter travel rules, suppliers and buyers may face higher risks, more delays and added costs. That could affect the availability and price of beverages used by the hospitality sector, including wine, beer and spirits, though the scale of that

impact will depend on how businesses and banks respond.

The new measures follow several months of escalating U.S. pressure on Havana. In May, the Trump administration imposed sanctions on senior Cuban officials, state-owned companies and financial institutions. In June, Treasury sanctioned Cuban President Miguel Díaz-Canel and other officials and entities. It later designated the state oil and gas company Unión Cuba-Petróleo, known as CUPET. In August, Treasury added sanctions on people and entities it said were tied to Cuban arms imports and foreign military cooperation. On Sept. 3, OFAC sanctioned Banco Exterior de Cuba and several companies linked to the country's petroleum, mining and resource sectors.

Those earlier actions were aimed mainly at specific people, companies and state bodies. The latest move is broader because it changes the underlying U.S. rules that govern financial transactions and travel involving Cuba.

The restrictions were announced a day after Secretary of State Marco Rubio sharply criticized the Cuban government in a television interview. Rubio said Cuba was "a failed state in every sense of the word" and argued that the country did not have a functioning economy. He said economic change would have to come with greater political freedom and warned Cuban officials not to assume they could simply wait out Trump's term without changing course. At the same time, he said the administration would prefer a diplomatic solution.

Cuban Foreign Minister Bruno Rodríguez responded after the new measures were announced and pointed to the timing. In a post on X, Rodríguez said that less than 24 hours after Rubio declared that "Cuba has already fallen," Washington had announced additional steps. He accused the United States of targeting both the public and private sectors and said the measures contradicted repeated U.S. claims that Washington wants to support independent Cuban entrepreneurs.

That argument goes to the center of the dispute. The Cuban government has long said U.S. sanctions are a main cause of the island's deep economic problems, including shortages, financial strain and weak growth. The Trump administration says Cuba's political and economic system is responsible for the crisis and that sanctions are needed to pressure the government.

The latest action marks a clear break with the Biden administration’s limited efforts to give Cuba’s private sector more room to operate within the sanctions framework. By shutting down some banking access, ending the use of U.S. banks for certain international payments and tightening travel categories, the administration has made official dealings with Cuba more restrictive for businesses, institutions and travelers alike.