

Engagement between the United States (**U.S.**) and the Republic of Cuba (**Cuba**) in early 2026 is being shaped by a deliberate dual strategy: (i) intensified pressure on Havana, limits its access to energy, including a new tariff framework aimed at third-country oil suppliers, and (ii) narrowly tailored openings designed to prevent a complete fuel cutoff by steering permissible transactions toward Cuba’s non-state actors.

On 29 January 2026 the White House declared a national emergency with regards to Cuba and authorized the potential imposition of additional ad valorem duties on imports from countries deemed to be selling or otherwise providing oil to Cuba.<sup>1</sup> The threat of tariffs was intended to deter third-country crude flows and has already influenced suppliers’ risk calculations.

This pressure has come together with Cuba’s acute fuel shortage. As of now, fuel constraints have forced airlines to curtail flights, a signal of how quickly shortages are spilling into trade, tourism, and basic logistics. It is widely speculated that the increased frequency of blackouts and an economy-wide squeeze has turned energy supply into the central variable in any attempt to forecast the island’s future.

### Licensing Policy for Venezuelan-Origin Crude Resales to Cuba

On 25 February 2026, the U.S. Treasury Department (**Treasury**)’s Office of Foreign Assets Control (**OFAC**) published FAQ 1238 announcing a “favorable licensing policy” for specific license applications seeking authorization for the resale of Venezuelan-origin oil for use in Cuba.<sup>2</sup> OFAC states that, to qualify, the requested transactions must be consistent with the terms and conditions of Venezuela General License 46A, but applicants “need not necessarily have an established U.S. entity,” and the limitations in GL 46A that otherwise relate to Cuba “would not apply.”

The policy is framed as support “for the Cuban people,” including the Cuban private sector, and it draws a hard line at the Cuban state. Transactions “involving or benefiting” the Cuban military, intelligence services, or other government institutions (e.g., entities on the U.S. Department of State’s Cuba Restricted List) are explicitly outside the scope of the favorable policy. This has been characterized as a targeted concession meant to ease Cuba’s fuel scarcity after Venezuelan shipments fell away, while still preventing sales to the Cuban government or military structures.<sup>3</sup>

### License Exception & U.S.-Origin Petroleum Products

OFAC’s Venezuela-origin policy works in tandem with the new U.S. Department of Commerce (**Commerce**) guidance aimed at U.S.-origin products. On 24 February 2026, the Bureau of Industry and Security (**BIS**) issued updated guidance explaining how License Exception “Support for the Cuban People” (**SCP**) may authorize exports and reexports of U.S.-origin gas and other petroleum products to eligible Cuban private-sector entities and to individual consumers in Cuba.<sup>4</sup> BIS notes that, where a transaction meets SCP’s terms and conditions, exporters do not need to seek an individual license, and BIS indicates that qualifying license applications will be returned without action with direction to use the exception.

The BIS guidance highlights two pathways: SCP paragraph (b)(1) for items for use by the Cuban private sector in private-sector economic activities (e.g., humanitarian needs), and SCP paragraph (b)(2) for items sold directly to individuals for personal or immediate-family use. It also reiterates key exclusions, including transactions that primarily generate revenue for the Cuban state or contribute to the operation of the state (e.g., as construction or renovation of state-owned buildings), as well as exports that would be diverted to prohibited end-users.

OFAC simultaneously confirmed in FAQ 1238 that U.S.-origin oil exports to Cuba are primarily regulated by Commerce under the Export Administration Regulations; Treasury’s Cuba sanctions generally authorize U.S. persons to engage in transactions ordinarily incident to an export or reexport of oil where Commerce has authorized the shipment, including via SCP. In other words, where SCP applies, Commerce authorization removes the need for a separate OFAC license for the U.S.-origin product flow. An OFAC license remains necessary for the resale of Venezuelan oil to Cuba that is beyond the scope of SCP. Parties must also comply with the Cuba Restricted List and other Cuban Asset Control Regulation (**CACR**) prohibitions.

1 The White House, “[Addressing Threats to the United States by the Government of Cuba](#),” Executive Order, January 29, 2026.

2 Office of Foreign Assets Control, “[1238. Would OFAC approve the resale of Venezuelan origin oil to Cuba?](#),” U.S. Department of the Treasury, February 25, 2026.

3 Marianna Parraga and Simon Lewis, “[US to allow resale of Venezuelan oil to Cuba’s private sector, Treasury says](#),” Reuters, February 25, 2026.

4 Bureau of Industry and Security, “[Updated Guidance Regarding Available EAR License Exceptions for Exports of U.S. origin gas and petroleum products to Cuban Private Sector Entities and Activities](#),” U.S. Department of Commerce, February 24, 2026.

## Cuba's Domestic Framework for Private-Sector Fuel Imports

Recent changes in Cuban economic governance are also intended to make the private sector a usable endpoint for any lawful fuel flows into the island. Over two years ago, Decree-Law 88/2024 recognized in theory that micro, small, and medium enterprises (i.e., mipymes) could engage in imports and exports, but only "in accordance with" the broader legal regime that governs foreign trade with the island.<sup>5</sup> Yet even then, Decree 107/2024, maintained hard exclusions for hydrocarbons, barring non-state actors from crude oil and natural gas extraction and from the manufacture and commercialization of refined petroleum products, so private participation was framed primarily as procurement for their own operations rather than resale into the domestic market.<sup>6</sup> However some room to operate was carved out in MINCEX's Resolution 166/2024, and this space has been significantly expanded with the promulgation of this resolution's February 2026 amendment which greatly expanded the list of authorized trading entities, and sets out the mechanics by which non-state actors can contract and pay, typically in Cuba's freely convertible currency, through designated state foreign-trade companies.<sup>7</sup> Against the backdrop of nationwide outages, official and reports indicating that the authorities are beginning to apply this framework to with respect to the fuel/energy sector by authorizing specified private firms to import petroleum products for self-consumption, while keeping rules regarding its distribution and enforcement against diversion under state control.

### Compliance

The policy design is clear; implementation will be challenging. Cuba's fuel import, storage, and distribution infrastructure has historically been controlled by state entities, and U.S. officials have argued that diversion risk is structural because military-linked enterprises remain deeply embedded in the economy. In his Caribbean Community (i.e., CARICOM) remarks, Rubio stated that the Grupo de Administración Empresarial S.A. (i.e., GAESA) controls 40 percent of Cuba's GDP and that their proceeds do not flow to public services, illustrating the administration's rationale for routing any permissible flows away from state-linked networks. For intermediaries and suppliers, this raises three immediate compliance questions:

Firstly, who is the real end-user and who is the "ultimate beneficiary" of the transaction? Screening against the Cuba Restricted List and mapping ownership/control linkages are central, because OFAC's favorable policy does not cover transactions involving or benefiting restricted entities.

Secondly, what is the distribution pathway inside Cuba? Contracts, payments, and logistics will need clear end-use and non-diversion undertakings, backed by audit rights and credible termination triggers if product is re-routed.

And finally, is the transaction structured within the right regulatory lane, Venezuelan-origin crude (i.e., OFAC specific license under the favorable policy) versus U.S.-origin petroleum products (i.e., Commerce authorization, often via SCP, with CACR incident-to-export coverage) and with excludes parties on the Cuba-related restricted lists?

There is also a final theoretical constraint, mainly that even if licenses are available, there is uncertainty about whether any qualifying Cuban firms can afford market-priced fuel purchases given the island's foreign-exchange constraints. That raises a near-term question: whether the U.S. will treat early private-sector imports as proof-of-concept, and a platform for further engagement, or as a compliance stress test that could prompt rapid revocation if diversion is detected.<sup>8</sup>

### Outlook

U.S. officials have been working to reassure oil firms about the compliance contours of private-sector sales as the crisis worsens, suggesting that the administration is actively trying to bring this channel into operation, not merely announce it.<sup>9</sup> At the same time, incidents that raise bilateral tensions can narrow political space for compromise. This was put on display on 25 February 2026 when news outlets across the world reported a maritime shootout involving a Florida-registered speedboat only adding a new layer of geopolitical complexity.<sup>10</sup>

5 Consejo de Estado, "[Decreto-Ley 88 sobre las micro, pequeñas y medianas empresas](#)," Gaceta Oficial de la República de Cuba (Ordinaria No. 78), August 19, 2024.

6 Consejo de Ministros, "[Decreto 107: De las actividades no autorizadas a ejercerse por las micro, pequeñas y medianas empresas privadas, cooperativas no agropecuarias y trabajadores por cuenta propia](#)," Gaceta Oficial de la República de Cuba (Ordinaria No. 78), August 19, 2024.

7 Ministerio del Comercio Exterior y la Inversión Extranjera (MINCEX), "[Resolución 166/2024: Reglamento que rige las relaciones comerciales en las operaciones en moneda libremente convertible entre las entidades autorizadas a realizar actividades de comercio exterior y las formas de gestión no estatal](#)," Gaceta Oficial de la República de Cuba (Ordinaria No. 95), October 4, 2024; Ministerio del Comercio Exterior y la Inversión Extranjera (MINCEX), "[Resolución 160/2025](#)," Gaceta Oficial de la República de Cuba (Extraordinaria No. 19), February 12, 2026.

8 U.S.-Cuba Trade and Economic Council, Inc., "[At CARICOM Meeting, U.S. Secretary Of State Rubio Discusses Cuba—Engagement Remains Focused First On Commercial, Economic, Financial Changes In Cuba](#)," Economic Eye on Cuba, February 26, 2026.

9 Eric Martin, "[U.S. to Reassure Oil Firms on Private Cuba Sales as Crisis Worsens](#)," Bloomberg, February 24, 2026.

10 Samantha Schmidt, Adam Taylor, Karen DeYoung, and Christine Armario, "[Cubans attempted to 'infiltrate' island on U.S. speedboat, Havana says](#)," The Washington Post, February 25, 2026.

In the coming weeks, the practical question to watch is not only if “Cuba- U.S. negotiations” exist in a formal sense, but whether the private-sector fuel channel can function at scale without diversion to restricted state actors, and whether regional partners can help translate de-escalation messaging into a workable, monitored pathway for energy imports and humanitarian support to enter the island.<sup>11</sup>

## How We Can Help

An international sanctions firm can help affected operators translate these evolving Cuba measures into workable, documented transactions. We can map your fact pattern across OFAC and BIS lanes, confirm whether a specific license, a license exception, or another authorization is required under the EAR and the CACR, and build the paper trail that regulators and counterparties will expect. That includes enhanced counterparty due diligence, screening against restricted-party lists, and ownership and control analysis; drafting end-use, non-diversion, audit, and termination provisions; and designing shipping, insurance, and payment structures that reduce exposure to state-linked beneficiaries. Where licensing is needed, we can prepare and manage applications, coordinate supporting evidence from suppliers, banks, and logistics providers, and handle follow-up with the relevant authorities. Finally, we can set up monitoring, internal guidance, and targeted training so that teams can move speedily as policy and enforcement signals shift.

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<sup>11</sup> Dave Sherwood, “[Cuba in communication with US, Cuban diplomat says, as Trump tightens screws](#),” Reuters, February 2, 2026; Simon Lewis, “[Rubio urges Caribbean leaders to cooperate on gangs as Cuba worries grow](#),” Reuters, February 25, 2026.