

Client Alert

July 2015

Reopening of American Embassy in Cuba

Following Cuba's removal from the list of State Sponsors of Terrorism on May 29, 2015, the United States and Cuba took an additional step towards normalizing relations by announcing the reopening of embassies after more than five decades of their closure. The announcement of an agreement to reopen embassies, which was made today, is the first step in converting each country's present "Interests Section" into formal embassies.

Each country presently has an Interests Section that operates under the auspices of the other's Embassy of Switzerland, but the sections operate independently of the Swiss in every respect except for protocol. The United States Interests Section in Cuba, which operates out of the building that served as the American embassy in Cuba until 1961, performs the same functions as those of any government presence abroad: it provides Consular Services, a Political and Economic Section, a Public Diplomacy Program, and a Refugee Processing program that is unique to Cuba. Unlike an embassy, the Interests Section is presided over by a chief-of-mission and not an ambassador.

The announcement to reopen embassies comes as no surprise to those following the developments of the thawing of relations between the two countries. On June 10, a 30-foot anodized aluminum flag pole was erected on the lawn of the Cuban Interests Section in Washington in anticipation of the announcement. Although strict protocols forbid the flying of flags and otherwise govern and restrict the operations of each country's Interests Section, that flag pole and its counterpart in Cuba can begin flying flags starting on July 20. Like Cuba's removal from the list of State Sponsors of Terrorism, the reopening of embassies will be more a symbolic gesture of progress in the normalization of relations between the two countries than a substantial change allowing investment and economic activity in the island. The Cuban embargo remains in place and can only be lifted by Congress. Reopening a formal embassy, however, will send an important signal that the normalization of relations with Cuba is permanent and stable, giving confidence to American tourists and businesses interested in visiting and engaging in authorized transactions in the island.

Besides the consular functions of assisting American citizens abroad and issuing visas, embassies interact with local businesses and nongovernmental organizations, the media and educational institutions, and private citizens. Embassies promote US policy and the United States in general, and help find partners and customers for American businesses. Although the extent to which a reopened American embassy in Cuba will be free to interact with local citizens is uncertain and a term being negotiated by the two countries, a reopened American embassy in Havana will likely be able to provide increased support for American businesses looking to invest in the island.

The Latin America Group at Hunton & Williams will continue to closely monitor related developments. Please contact us if you have any questions or would like further information regarding the reopening of the American embassy in Cuba or any other change to the regulations and sanctions governing the Cuban embargo.

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