



SANCTIONS ALERT

Tariffs on Countries Facilitating Oil Sales to Cuba: Executive Order “Addressing Threats to the United States by the Government of Cuba”

On January 29, 2026, President Donald J. Trump, signed a new Executive Order entitled “*Addressing Threats to the United States by the Government of Cuba*” declaring a national emergency with respect to Cuba (the “E.O.”). The E.O., which became effective at 12:01 a.m. EST of January 30, 2026, authorizes the U.S. government to impose *ad valorem* tariffs on imports from foreign countries that directly or indirectly sell, transfer, or otherwise provide oil to Cuba.

President Trump, determined that the policies, practices and actions of the Government of Cuba pose an unusual and extraordinary threat to the national security and foreign policy of the U.S. Accordingly, the E.O. adopts an economic response designated to deter conduct that supports or benefits the Cuban regime and to reinforce U.S. national security and foreign policy objectives.

The E.O. establishes a tariff framework under which goods imported into the U.S. that are products of any other country that directly or indirectly sells or otherwise provides any oil to Cuba, may be subject to additional *ad valorem* duty. The Secretary of Commerce, in consultation with the Secretary of State, is tasked with determining whether a foreign country has engaged in such conduct. Upon affirmative finding, the Secretary of State, in coordination with the Department of Treasury, the Department of Commerce, the Department of Homeland Security, and the United States Trade Representative, will determine whether and to what extent additional tariffs should be imposed, subject to the final consideration and approval by the President.

Further, the Secretary of State and Secretary of Commerce are authorized to take all necessary actions, including the issuance of rules, implementing regulations and guidance, or making any determinations to implement the tariff system and related measures.

DRT Commentary

The E.O. has significant implications for companies operating in the energy and international trade sectors, as the definition of “indirectly” selling or providing oil to Cuba is very broad. The term “indirectly” includes sales or transfers conducted through intermediaries or third countries, with knowledge that the oil may ultimately be supplied to Cuba. This definition increases legal exposure for companies involved in global energy trading and shipping and logistics. Even entities with no direct commercial dealings with Cuba may face increased risk if their activities involve counterparties, intermediaries, or supply chains connected to Cuba-related oil transactions. Accordingly, entities engaged in global energy and trade activities should

carefully review their transactions, counterparties, and supply chains to ensure compliance with E.O.

DRT has extensive experience in advising individuals and international organizations on sanctions and trade compliance matters, including counseling clients on evolving regulatory requirements and enforcement risks. This work includes, among other things, compliance assessments, design, and implementation of tailored Sanctions Compliance Programs, as well as ongoing compliance support and risk mitigation strategies.

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