

Circular From: NorthStandard

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Venezuela – U.S. Sanctions Relief

On 18th October the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued 4 General Licenses suspending selected sanctions, in response to the signing of an electoral roadmap agreement between Venezuela's Unitary Platform and representatives of Maduro.

Of most interest to Members and clients is likely to be General License 44, which temporarily authorises transactions related to the oil and gas sector in Venezuela (including transactions involving PdVSA or any entity in which PdVSA owns, directly or indirectly 50% or greater interest) until 12:01 am eastern daylight time, April 18th, 2024.

[General License 44](#), provides a non-exhaustive list of transactions covered by the authorization:

1. the production, lifting, sale, and exportation of oil or gas from Venezuela, and provision of related goods and services;
2. the payment of invoices for goods or services related to oil or gas sector operations in Venezuela;
3. new investment in oil or gas sector operations in Venezuela; and
4. the delivery of oil and gas from Venezuela to creditors of the Government of Venezuela, including creditors of PdVSA entities, for the purposes of debt repayment.

Whilst the General License does provide broad relief to oil and gas sector operations in Venezuela, there does also remain some limitations as set out in the [General License and accompanying FAQs](#).

Pending any contrary guidance, we would consider the provision of P&I cover in respect of the carriage of Venezuelan oil or gas authorised by General License 44 to be a permitted related service. The Club would however review the cover position at the time any claim arose and, as set out above, the sanctions relief is expressed to be temporary with the Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson stating that "...Treasury is prepared to amend or revoke authorizations at any time".

Venezuela remains a high risk jurisdiction and Members and clients intending to carry Venezuelan oil or gas should review the terms of the General License and accompanying FAQs in full.

Source of Information: The NorthStandard P&I Club