

Circular From: The American Club

Date: 19 April 2024

United States Temporarily Authorizes the Wind Down of Transactions Related to Oil or Gas Sector Operations in Venezuela

This Circular serves as an update to the guidance provided in [Circular No. 14/23 of October 23, 2023](#), regarding the US Department of the Treasury's Office of Foreign Assets Control ("OFAC")'s issuance of General License No. 44 ("GL No. 44")

GENERAL LICENSE 44A: OIL AND GAS SECTOR OPERATIONS IN VENEZUELA

On April 17, 2024, OFAC issued General License No. 44A ("GL No. 44A") which authorizes the wind down of transactions related to oil or gas sector operations in Venezuela. According to GL No. 44A, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the "VSR"), including transactions involving Petróleos de Venezuela, S.A. ("PdVSA") or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest, that are ordinarily incident and necessary to the wind down of any transaction related to oil or gas sector operations in Venezuela previously authorized by GL No. 44 are authorized through 12:01 a.m. eastern daylight time May 31, 2024.

GL No. 44A **DOES NOT** authorize:

- Any transactions involving any financial institution blocked pursuant to Executive Order (E.O.) 13850 other than Banco Central de Venezuela or Banco de Venezuela SA Banco Universal;
- The provision of goods or services to, or new investment in, an entity located in Venezuela that is owned or controlled by, or a joint venture with, an entity located in the Russian Federation;
- Any transactions related to new investment in oil or gas sector operations in Venezuela by a person located in the Russian Federation or any entity owned or controlled by a person located in the Russian Federation;
- Any transactions prohibited by subsections 1(a)(i) – (iii) or 1(b) of E.O. 13808, other than the payment of invoices for goods or services related to oil or gas sector operations in Venezuela, or delivery of oil or gas from Venezuela to creditors of the Government of Venezuela, including creditors of PdVSA Entities, for the purpose of debt repayment;
- Any transactions prohibited by E.O. 13827 or E.O. 13835; or
- The unblocking of any property blocked pursuant to the VSR.

Effective April 17, 2024, GL No. 44, dated October 18, 2023, is replaced and superseded in its entirety by GL No. 44A. The full text of GL No. 44A is available at:

<https://ofac.treasury.gov/media/932826/download?inline>

GUIDANCE TO MEMBERS

Entering into new business, including new investment, that was previously authorized under GL No. 44 will not be considered wind down activity. Members who are unable to wind down such transactions or activity before 12:01 a.m. eastern daylight time, May 31, 2024, are encouraged to seek guidance from OFAC, as failure to comply with the wind-down period specified would prejudice cover, among other potential adverse consequences. Nothing in GL No. 44A relieves any person from compliance with the requirements of other Federal agencies. To find out more on current US sanctions programs as they relate to Venezuela along with recent amendments, please visit OFAC's website at <https://ofac.treasury.gov/sanctions-programs-and-country-information/venezuela-related-sanctions> and the related FAQ document issued on April 17, 2024, <https://ofac.treasury.gov/media/932821/download?inline>

Source of Information:

The American Club