

Going to Get Paid in Venezuelan Cryptocurrency? Not so fast.

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In December last year, Venezuelan President Nicolas [Maduro announced](#) that Venezuela would launch a cryptocurrency called “Petro” in an effort to ease the country’s serious economic woes and avoid U.S. sanctions. Maduro said the government would issue 100 million Petros, with each Petro backed by one barrel of Venezuelan oil. So will U.S. companies finally get paid amid Venezuela’s cash crunch?

Probably not, according to new guidance from OFAC. As we posted about [before](#), the United States currently maintains [financial sanctions](#) on Venezuela that bar persons subject to U.S. jurisdiction from dealing in “new debt” of the Government of Venezuela with a maturity of 30 days or more. In today’s guidance, OFAC [confirmed](#) that dealings denominated in Petros would expose U.S. persons to sanctions risk:

A currency with these characteristics would appear to be an extension of credit to the Venezuelan government. Executive Order 13808 prohibits U.S. persons from extending or otherwise dealing in new debt with a maturity of greater than 30 days of the Government of Venezuela.”

U.S. persons and individuals within the United States should carefully consider this guidance before engaging in transactions involving Mr. Maduro’s new cryptocurrency.