

U.S. Temporarily Eases Sanctions Against Venezuelan Energy, Gold

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On October 18, the Treasury Department's Office of Foreign Assets Control (OFAC) [eased](#) U.S. sanctions on dealings with Venezuela's gold and oil and gas sectors by issuing and amending several general licenses. According to the Treasury Department, these October 18th authorizations are temporary and may be amended or revoked should Maduro representatives fail to honor commitments with the Unitary Platform made to ensure electoral integrity in Venezuela. Companies that decide to engage with Venezuela under the new general licenses should account for the risk that licenses may be revoked before transactions are finalized.

Oil & Gas Sector

For six-months, [General License No. 44](#) authorizes all transactions, including those involving Petróleos de Venezuela, S.A. (PdVSA) and PdVSA-owned entities, that are related to oil or gas sector operations in Venezuela, such as:

- Production, lifting, sale, and exportation of oil or gas from Venezuela, and provision of related goods and services;
- Payment of invoices;
- New investment; and
- Delivery of oil and gas from Venezuela to creditors of the Government of Venezuela (GoV), including PdVSA entities, for purposes of debt repayment.

While transactions with blocked financial institutions remain prohibited, [new OFAC guidance](#) indicates GL No. 44 extends to "ordinarily incident and necessary financial transactions" with Banco Central de Venezuela or Banco de Venezuela SA Banco Universal that are related to the oil and gas sector. Although GL No. 44 offers broad relief, OFAC has emphasized that other prohibitions remain in place, including but not limited to:

- New debt transactions, such as the provision of loans to PdVSA, that are not for the payment of invoices or repayment of debt through delivery of oil or gas;
- Transactions related to GoV virtual assets or debt owed by GoV and GoV-owned entities; and
- Transactions involving property blocked under the Venezuela sanctions regulations, or persons and entities that are blocked pursuant to another sanctions program.

GL No. 44 is set to expire on April 18, 2024 at 12:01 a.m. eastern daylight time, with OFAC indicating that the license will [only be renewed](#) if Venezuela meets its commitments and takes continued concrete steps toward a democratic election in 2024.

Gold Sector, Secondary Bond Market, Repatriation, and Other Actions

In addition to easing sanctions on Venezuela oil and gas, OFAC took several other actions, including the issuance of new, or broadening of existing, authorizations relating to Venezuelan gold, debt, and other transactions, as follows:

- OFAC's [General License No. 43](#) authorizes all transactions involving CVG Compania General de Minería de Venezuela CA (Minerven) and Minerven-owned entities, with OFAC also temporarily suspending its policy of targeting for designation those operating in the gold sector of Venezuela's economy.
- OFAC's General License Nos. [3I](#) and [9H](#) amend prior licenses to remove restrictions on U.S. purchases or investments relating to certain Venezuelan sovereign bonds and pre-2017 bonds or equity issued by PdVSA.
- OFAC's [General License No. 45](#) authorizes transactions exclusively for the purpose of repatriation of certain Venezuelan nationals that involve Consorcio Venezolano de Industrias Aeronáuticas y Servicios Aéreos, S.A.
- OFAC delayed until January 18, 2024 the effective date of [General License No. 5](#), which would authorize transactions relating to PdVSA's 2020 8.5 percent bond.

Please [contact](#) our sanctions and export team if you have any questions regarding this latest development.