



## Venezuela Economic Outlook

By Arca Análisis Económico

Here is our monthly summary of recent economic developments in Venezuela:

- Venezuela's macroeconomic environment in March 2026 was marked by a stark contrast between expanding fiscal spending and persistent challenges in maintaining exchange rate stability. In the first quarter of the year, the official supply of foreign currency through the banking system reached US\$2.2 billion, practically doubling the figure recorded in the same period of 2025. Despite this apparent abundance and a record intervention of US\$470 million toward the end of March, irregular allocations to financial institutions and asymmetries in the flow prevented the anchoring of exchange market expectations. As a result of these frictions and the heavy injection of liquidity, the gap between the official and parallel exchange rates consolidated above 40 percent, averaging 55 percent for much of the quarter.
- This imbalance in the foreign exchange market is primarily driven by the aggressive execution of public spending, which reached the equivalent of US\$5.7 billion in the first quarter, representing a substantial 800 percent increase in nominal terms compared to the previous year. In March alone, the creation of fiscally generated money was vigorously boosted by the adjustment to the Economic War Relief Income (ICGE), which was raised to US\$150 per month for active public sector workers, in addition to the respective proportional increases for retirees and pensioners. The materialization of these massive disbursements immediately stimulated household consumption, although it simultaneously exacerbated the excess demand for foreign currency, forcing the Central Bank of Venezuela to constantly calibrate its sterilization operations and auctions to mitigate runaway inflation.
- Meanwhile, the country's commercial and transactional activity continues to increase steadily. This is evidenced by the performance during the Easter holiday season, where authorities reported a 17 percent increase in electronic transactions compared to the same period the previous year, reflecting greater domestic travel and a clear boost to the local economy. This vitality in consumption is increasingly supported by the rapid maturation of the digital economy and alternative financing methods. In fact, the national payments ecosystem has found a key driver in the "Buy Now, Pay Later" (BNPL) credit scheme, which registered an extraordinary year-on-year growth of 250 percent at the end of last year, sustaining the acquisition of goods for families and complementing a robust home delivery sector that already employs hundreds of thousands of workers nationwide.
- The restructuring of wages and salaries remains a critical issue in the economic and social debate, especially given the distortion caused by the continuous bonuses to public sector salaries without any impact on formal employment benefits. In response to pressure from various sectors, the country's interim presidency recently announced the preparation for a "responsible" wage increase to be implemented on May 1, 2026. To accompany this measure and seek a structural and sustainable solution, the executive branch ordered the formation of a Labor Dialogue Commission, a



tripartite body tasked with the complex job of redesigning the social security system and advancing a reform of the labor regulatory framework that guarantees the recovery of purchasing power in line with private sector productivity.

- Finally, the prospects for strengthening the national accounts point inexorably toward the diversification and institutional regulation of resource exploitation. With a view of boosting these revenues and formalizing the extractive industry, state institutions have taken a decisive step with the new Organic Law of Mines. This legislation, which reorganizes the exploitation of strategic minerals and establishes clearer regulations to attract investment, has recently received constitutional approval from Venezuela's Supreme Court of Justice, with the aim of consolidating a modern legal framework that aspires to make the mining sector a fundamental anchor for the nation's macroeconomic stabilization.

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# OFAC Issues New General Licenses for Venezuela

**By Holland & Knight**

Between February 2026 and March 2026, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued 10 general licenses that have a direct impact on the hydrocarbon, mining and official missions sectors of Venezuelan entities within the U.S. territory.<sup>1</sup> These licenses establish a new regulatory framework that enables U.S. entities to conduct various commercial and diplomatic operations with Venezuela, provided that strict contractual, payment and dispute resolution requirements are observed.

In the hydrocarbon sector, OFAC has authorized U.S. entities incorporated under U.S. law prior to January 29, 2025, to engage in operations involving Venezuelan-origin oil and gas. General Licenses No. 46B, 47, 48A, 49A, 50A and 52 allow activities such as the export of diluents, exploration, development and production of hydrocarbons, negotiation of contingent contracts for new investments and transactions with *Petróleos de Venezuela S.A. (PDVSA)* and its subsidiaries. All such operations must be governed by U.S. law, with dispute resolution in the U.S., and payments to blocked persons must be made to accounts designated by the U.S. Treasury Department, except for exceptions related to local taxes and fees.

With respect to mining – particularly in the gold sector – OFAC has issued General Licenses No. 51A, 54 and 55, which authorize U.S. entities to conduct transactions with the government of Venezuela, *Minerven* and related entities. These licenses permit the export, import, sale, storage, processing and refining of minerals, as well as the negotiation of contingent contracts for new investments in the sector. Additionally, auxiliary activities such as logistics, insurance, port services and equipment maintenance are included, provided they are conducted under U.S. regulations and jurisdiction, with payments made to specific government accounts.

Finally, in the diplomatic sphere, General License No. 53 permits the execution of transactions otherwise prohibited under Venezuela sanctions regulations to support official missions of the government of Venezuela in the U.S. or in international organizations located in the U.S. This license also authorizes the provision and payment of goods and services for the official or personal use of employees and their dependents.

In conclusion, OFAC's new general licenses of 2026 have established various legal avenues for U.S. entities to conduct activities in hydrocarbons and mining in Venezuela, as well as for Venezuelan diplomatic missions in the U.S., all under strict regulatory oversight. These measures are complemented by the recent enactment of new hydrocarbon and mining laws by the National Assembly

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<sup>1</sup> [Venezuela-Related Sanctions | Office of Foreign Assets Control](#)

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of Venezuela, consolidating a regulatory environment that promotes cooperation, investment and international confidence within a defined legal framework.

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# Legal and Institutional Developments in Venezuela

**By Tinoco Travieso Planchart & Nuñez**

In recent weeks, several institutional and regulatory developments have taken place in Venezuela that may be of interest to international companies and investors who follow the evolution of the country's legal and economic environment. Among the most relevant are:

- enactment of the Organic Law of Mines
- enactment of the Organic Law for the Expediting and Optimization of Administrative Procedures
- announcement of the establishment of a National Council for Productive Economy to evaluate tax reforms
- appointment of the new attorney general and ombudsman
- issuance of new regulations on the minimum share capital applicable to banking institutions and exchange houses

In the legislative sphere, the National Assembly enacted the Organic Law of Mines, legislation that, according to authorities, aims to update the legal framework applicable to the development of mining activity and promote new investments in the sector. As of yet, the text of the law has not yet been formally published. Therefore, it will be necessary to wait for the corresponding *Official Gazette* to be published to learn in detail the scope of its provisions and specific changes it would introduce to the legal framework applicable to this activity.

On another note, the National Assembly also passed the Organic Law for the Expediting and Optimization of Administrative Procedures. According to information released by authorities, this legislation aims to simplify administrative procedures, reduce regulatory burdens and allow for the elimination of processes considered unnecessary in public administration. However, as of the date of this alert, the published text of the law has not yet been released. Therefore, it will also be necessary to wait for the corresponding *Official Gazette* to be published to fully evaluate the modifications it will introduce to the functioning of the Public Administration and its potential impact on economic activity.

In economic and tax matters, the Acting President of the Republic announced the establishment of a National Council for Productive Economy whose purpose would be to receive proposals aimed at reforming the Venezuelan tax system. According to reports, this body would be composed of representatives from the public and private sectors and other economic actors, with the objectives of evaluating measures designed to simplify the tax system, strengthening national production and promoting a more competitive economic environment. Currently, this initiative is in the consultation and proposal formulation stage.



In the institutional sphere, the National Assembly appointed Larry Devoe as attorney general of the Republic and Eglée González Lobato as ombudsman, positions that are part of what is known as Citizen Power Branch under the Venezuelan Constitution. These appointments are part of a process of renewing authorities in various bodies.

Finally, in the financial sector, the Superintendency of Banking Sector Institutions issued new regulations regarding the minimum share capital required for the establishment, operation and functioning of banking institutions and exchange houses. Among other aspects, the regulations stipulate that the minimum share capital of private universal banks must be subscribed and paid up in an amount equivalent to between 1 million and 1.2 million times the official exchange rate of the highest-value currency published by the Central Bank of Venezuela (BCV), depending on the location of their headquarters.

Taken together, these developments reflect a process of regulatory and institutional adjustments in various areas of the Venezuelan legal system that could affect the operating environment for companies and general conditions for the development of economic activities in the country.

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