

On 18 October 2023, the US implemented a temporary suspension of specific sanctions against Venezuela in response to the signing of an electoral roadmap agreement between Venezuela’s unitary platform and representatives of President Maduro. Notably, this suspension included the issuance of General License 44, which broadly permitted transactions related to oil and gas sector operations in Venezuela until 18 April 2024.

Specifically for the shipping sector, General License 44 allowed for the provision of goods and services concerning the production, lifting, sale and exportation of oil or gas from Venezuela.

The decision to suspend sanctions on 18 October 2023, was prompted by “concrete steps” taken by President Maduro’s representatives to promote democracy and competitive elections. However, subsequent events led US authorities to reassess the current sanctions policy toward Venezuela.

In alignment with this reassessment, in January 2024, the US Department of State issued a press release indicating the intention to allow General License 44 to expire on 18 April 2024, as scheduled. In this context, the press release stated that absent progress between Maduro and his representatives and the opposition unitary platform, particularly on allowing all presidential candidates to compete in this year’s election, the US will not renew General License 44 when it expires.

Concurrently, OFAC issued General License 43(a), revoking the previous suspension of sanctions on CVG Compañía General de Minería de Venezuela CA (Minerven), the Venezuelan state-owned gold mining company. General License 43(a) established a 14-day wind-down period for transactions involving Minerven through 13 February 2024.

Subsequent to these initial statements, OFAC issued a further press release on 17 April 2024, stating that, after a thorough review of the current situation in Venezuela, the US, through OFAC, has determined that Nicolas Maduro and his representatives have not fully fulfilled the commitments outlined in the electoral roadmap agreement signed by Maduro’s representatives and the opposition in Barbados in October 2023. Consequently, General License 44, which permits transactions associated with oil or gas sector operations in Venezuela, expired at 12:01 A.M. on 18 April.

While acknowledging some progress on the commitments laid out in the Barbados electoral roadmap, concerns persist that, as OFAC’s latest press release states “Maduro and his representatives obstructed the democratic opposition from nominating their preferred candidate, engaged in the harassment and intimidation of political opponents and unlawfully detained numerous political figures and members of civil society.”

To facilitate an orderly transition following the expiration of General License 44, on 17 April 2024, OFAC issued General License 44A authorising transactions that are ordinarily incident and necessary to the wind-down of any transactions that were previously authorised by General License 44 by 31 May 2024. OFAC will also consider requests for specific licenses to extend activities beyond the conclusion of the wind-down period on a case-by-case basis.

Contacts



José María Viñals

Partner, Madrid/Brussels
T +34 91 426 4840
T +34 649 133 822
E josemaria.viñals@squirepb.com



Jeremy P. Paner

Partner, Washington DC
T +1 202 457 6463
E jeremy.paner@squirepb.com



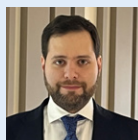
Daniel E. Waltz

Senior Partner, Washington DC
T +1 202 457 5651
E daniel.waltz@squirepb.com



Diego Sevilla Pascual

Senior Associate, Brussels
T +322 627 7612
E diego.sevillapascual@squirepb.com



Tigran Piruzyan

Senior Counsel, Madrid
T +34 618 017 354
E tigran.piruzyan@squirepb.com



María Vara

Associate, Madrid
T +34 638 67 83 77
E maria.vara@squirepb.com



Amjad Wakil

Associate, Washington DC
T +1 202 457 5547
E amjad.wakil@squirepb.com