



OFAC Issues New Venezuela-Related General License Authorizing Transactions Involving Certain Government of Venezuela Persons

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On September 9, the U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) issued General License 34 (GL 34) authorizing transactions involving certain Government of Venezuela persons. GL 34 comes after the United States blocked all property and interests in property of persons defined as the Government of Venezuela (GoV) in the August 5, 2019, Executive Order 13884 (E.O. 13884). E.O. 13884 defined GoV to include both “entities controlled” or “acting on behalf of” the GoV, which is broad enough to include Venezuelan government employees, contractors and other persons acting as agents, as well as employees, contractors, and agents of Venezuelan state-owned enterprises.

OFAC also revised FAQ number 680 to reflect the authorizations granted by GL 34 and provide additional clarity on the E.O. 13884 prohibitions.

GL 34 authorizes transactions with the GoV or in which persons meeting the definition of GoV have an interest, provided that the individuals are (i) U.S. citizens, (ii) permanent resident aliens of the United States, (iii) individuals in the United States who have a valid U.S. immigrant or nonimmigrant visa (unless in the United States as part of Venezuela’s mission to the United Nations), and (iv) former employees and contractors of the GoV. This general license largely tracks the Executive Order’s definition of GoV, which had excluded from the definition “any United States citizen, any permanent resident alien of the United States, any alien lawfully admitted to the United States, or any alien holding a valid United States visa.” GL 34 thus clarifies that transactions with such persons *are* authorized while also authorizing transactions with former Venezuelan Government employees and contractors.

The amended FAQ, which addresses the impact of E.O. 13884 on U.S. persons, now accounts for the transactions that are exempt or authorized by OFAC under GL 34, GL 22 (relating to Venezuela’s mission to the UN), and GL 31 (relating to the Venezuelan interim government). The revised FAQ also reiterates that the definition of GoV includes both “entities controlled” or “acting on behalf of” the GoV. This definition means that transactions with a privately owned company could still be prohibited if it is owned or *controlled* by the GoV—as defined. According to this FAQ, U.S. persons should not limit their due diligence to checking whether an entity has been listed on the Specially Designated Nationals and Blocked Persons list but should undertake the task of investigating carefully its business partners and their ownership structures to ensure that the GoV does not “control” such partners. We understand this task to be quite burdensome in a country such as Venezuela where the government exercises control over

numerous entities. This need for heightened due diligence is one of the unique challenges facing U.S. companies, as discussed in our [August 22 blog post](#).

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