

United States Eases Select Sanctions on Venezuela's Oil Sector

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The United States temporarily eased select sanctions related to Venezuela's oil sector on October 18, 2023, after Maduro's government and the opposition reached an agreement on electoral guarantees for an internationally monitored vote in the second half of 2024. According to a [press release](#) by the U.S. Department of the Treasury, "the United States welcomes the signing of an electoral roadmap agreement between the Unitary Platform and Maduro representatives." Treasury, however, is prepared to amend or revoke authorizations at any time, if Maduro's government fails to follow through on its commitments. In a move consistent with the terms of the electoral roadmap agreement, on October 19, the Maduro regime also released five political prisoners in Venezuela. The government of Venezuela (GoV) has not released the additional American prisoners who were activists against Maduro. In addition, the GoV has not agreed to reinstate opposition candidates who have been barred from public office.

Treasury issued two General Licenses (GLs) suspending certain sanctions related to Venezuela's oil sector and one GL related to the repatriation of Venezuelan nationals. Treasury also amended three relevant licenses to remove the secondary trading ban on certain Venezuelan sovereign bonds and Petróleos de Venezuela (PdVSA) debt and equity. The GLs are as follows:

- [General License No. 43](#), authorizing transactions involving CVG Compañía General de Minería de Venezuela CA (Minerven) (or any entity in which Minerven owns, directly or indirectly, a 50 percent or greater interest). Minerven is a Venezuelan state-owned mining company designated pursuant to Executive Order (E.O.) 13850. GL No. 43 does not, however, authorize any transactions otherwise prohibited by the Venezuela Sanctions Regulations (VSR), including transactions involving any person blocked pursuant to the VSR aside from Minerven (or any entities in which it has a 50 percent or greater stake), the GoV, persons blocked solely pursuant to E.O. 13884, Banco Central de Venezuela, or Banco de Venezuela SA Banco Universal. Treasury also issued guidance clarifying that the U.S. government does not intend to sanction any person solely for operating in the gold sector of the Venezuelan economy.
- [General License No. 44](#), a six-month license temporarily authorizing all transactions involving the oil and gas sector in Venezuela prohibited by the VSR, subject to certain conditions. A non-exhaustive list of transactions covered by GL No. 44 include:
 - The production, lifting, sale, and exports of oil or gas from Venezuela, and provision of related goods and services;

- The payment of invoices for goods or services related to oil or gas sector operations in Venezuela;
- New investment in oil or gas sector operations in Venezuela;
- The delivery of oil and gas from Venezuela to creditors of the GoV, including creditors of PdVSA entities, for the purposes of debt repayment; and
- Ordinarily incident and necessary financial transactions with certain blocked Venezuelan banks related to the oil and gas sector.

Also of note, GL No. 44 flags that transactions involving entities owned or controlled by persons in the Russian Federation remain prohibited:

- [General License No. 45](#), authorizing transactions ordinarily incident and necessary to the repatriation of Venezuelan nationals from non-U.S. jurisdictions in the Western Hemisphere to Venezuela;
- [General License No. 3I](#), authorizing dealings in specified bonds;
- [General License No. 9H](#), authorizing transactions that are ordinarily incident to dealings in any debt or equity in PdVSA; GL No. 3I and GL No. 9H remove the secondary market trading bans on purchases of certain Venezuelan sovereign bonds and pre-2017 bonds or equity issued by PdVSA; and
- [General License No. 5M](#), authorizing transactions related to the financing for PdVSA 2020 8.5 Percent Bond.

Treasury also issued two new Venezuela-related FAQs ([FAQs 1136](#), [1137](#)) relating to the definition of “Western Hemisphere” and the purchase of bonds issued prior to August 25, 2017. Treasury also published a related document, [“Frequently Asked Questions Related to the Suspension of Certain U.S. Sanctions with Respect to Venezuela on October 18, 2023.”](#)

All other restrictions imposed by the United States on Venezuela remain in place. These include, among others:

- Drug trafficking-related sanctions under the Foreign Narcotics Kingpin Designation Act;
- Sanctions on the Maduro government, such as those under E.O. 13884; and
- Terrorism-related sanctions, such as those under E.O. 13224.

For further information or if you have questions, please contact the authors or your Winston & Strawn relationship attorney.

3 Min Read

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