

## Issuance of Venezuela-related Executive Order and Associated General Licenses

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On August 24, 2017 the Trump Administration issued a new Executive Order (“E.O.”), “Imposing Additional Sanctions With Respect To The Situation In Venezuela.” The new E.O. imposes financial sanctions on the Government of Venezuela which, according to the [White House Press Release](#), are intended deny a critical source of funding to the Maduro “dictatorship.” The E.O. went into effect at 12:01 a.m. eastern daylight time on August 25, 2017.

Specifically, the E.O. prohibits United States persons or persons within the United States from engaging in transactions related to, providing financing for, or otherwise dealing in:

- new debt with a maturity of greater than 90 days of Petroleos de Venezuela, S.A. (“PdVSA”);
- new debt with a maturity of greater than 30 days, or new equity, of the Government of Venezuela (other than PdVSA);
- bonds issued by the Government of Venezuela prior to August 25, 2017;
- dividend payments or other distributions of profits to the Government of Venezuela from any entity owned or controlled, directly or indirectly, by the Government of Venezuela; and
- purchasing, directly or indirectly, any securities from the Government of Venezuela other than securities qualifying as new debt with a maturity of less than or equal to 90 days for PdVSA or 30 days for the rest of the Government of Venezuela.

The E.O. defines “Government of Venezuela” as the Government of Venezuela, any political subdivision, agency, or instrumentality thereof, including the Central Bank of

Venezuela and PdVSA, and any person owned or controlled by, or acting for or on behalf of, the Government of Venezuela.

The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") has also issued four new Venezuela-related General Licenses ("GL").

- **GL1**, "*Authorizing Certain Transactions and Activities to Wind Down Existing Contracts*," generally provides until September 24, 2017 to conduct all transactions and activities otherwise prohibited by the new E.O. that are ordinarily incident and necessary to winding down contracts or other agreements that were in effect before August 25. U.S. persons participating in transactions authorized by this general license are required, within 10 business days after the transactions take place, to file a detailed report with OFAC.
- **GL2**, "*Authorizing Certain Transactions Involving CITGO Holding, Inc.*," generally authorizes all transactions otherwise prohibited by Subsections (1)(a)(i), (1)(a)(ii), and 1(b) of the new E.O., provided that the only Government of Venezuela entities involved in the transactions are CITGO Holding, Inc. and any of its subsidiaries (which are U.S. person entities).
- **GL3**, "*Authorizing Transactions Related to, Provision of Financing for, and Other Dealings in Certain Bonds*," generally authorizes all transactions related to, the provision of financing for, and other dealings in bonds contained on the List of Authorized Venezuela-Related Bonds that would otherwise be prohibited by the new E.O. The list is appended to GL3 and is also available as a stand-alone document on the Venezuela-related Sanctions page of OFAC's website. GL3 further authorizes all transactions related to, the provision of financing for, and other dealings in bonds issued prior to the effective date of the new E.O. , if such bonds were issued by U.S. person entities owned or controlled, directly or indirectly, by the Government of Venezuela (such as CITGO Holding, Inc.).
- **GL4**, "*Authorizing New Debt Transactions Related to the Exportation or Reexportation of Agricultural Commodities, Medicine, Medical Devices, or Replacement Parts and Components*," authorizes all transactions related to the provision of financing for, and other dealings in new debt related to the exportation or reexportation of agricultural commodities, medicine, medical devices, or replacement parts and components of medical devices, to Venezuela, or to persons in third countries purchasing specifically for resale to Venezuela, provided that the exportation or reexportation is licensed or

otherwise authorized by the Department of Commerce. GL4 does not relieve any exporter from compliance with the export application requirements of another federal agency.

Additionally, OFAC has released guidance in the series of [Frequently Asked Questions](#) (“FAQs”) relating to the new E.O. and GLs.